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Strategic Assessment of Civil Sector & Political Processes for Serbia

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None of these generous people bear any accountability for our interpretations, conclusions or recommendations. Nor does this report in any way represent any official viewpoint or policy of the United States Agency for International Development or Management Systems International. All responsibility for the report and whatever errors or misinterpretations it may contain belongs with the assessment team.

EXECUTIVE SUMMARY

This report offers a strategic assessment of civil society and political processes for Serbia, with the intention of informing the USAID Mission's next democracy and governance (DG) multi-year strategy, now slated to begin in FY 2006 amid an atmosphere of likely budgetary reduction. To prepare, our four-person team (three expatriates and one Serbian) spent some two and a half weeks in-country in July 2004, meeting with USAID staff members, implementing partners, government officials, program grantees, NGO leaders, political party representatives, and other donors, as well as perusing documents from all these sources. In addition to our work in Belgrade, we undertook field visits to seven municipalities in various parts of the country. As an "assessment," this report devotes considerable attention to USAID programs in place, but we need to stress that our broad overview does not in any sense constitute an official review or evaluation of these programs.

Principal civil society findings

A debilitating legacy and its strategic implications. While all E&E countries must deal with the double legacy of Communist authoritarianism and the post-Communist gangster-based economies, Serbia faces the added *burden of the Milosevic decade* of the 1990s, with its war crimes and present impasse in the International Criminal Tribunal for Yugoslavia. The USG has felt that it must deal with this third legacy as its main civil society priority by supporting a civil society effort aiming at truth and reconciliation (T&R) initiatives – human rights, war crimes, refugees/IDPs, toleration for minorities. Given the circumstances, this was the right strategic choice, but in consequence the more "normal" civil society activities USAID supports in other E&E countries have had to assume a lower profile in Serbia. T&R will have to continue as a major theme in the mission's civil society portfolio, but it is time to place more emphasis on these other areas as well. An additional consequence of the Milosevic era and the isolation it induced has been the creation of a "*lost generation*" of people now in their 20s who came of age during that time of distorted political values and who are significantly more likely than their elders to sympathize with nationalist sentiments.

Internal dimensions of the civil society sector. Several issues emerge relating to civil society as a sector. Though USAID has been able to help with NGO *core costs* in several cases, this will likely not be possible in future with reduced budgets. *Training* shows some contradictions, in that NGOs complain about it, yet seem not to have mastered basic skills they need. Serbian NGOs follow a widespread problem with *sustainability* in the face of diminishing outside resources, here exacerbated by the need to expand civil society into new areas just as reductions loom. Many observers lament the apparent *loss of central purpose* within civil society after its exemplary unity in working to oust the Milosevic regime, partly recaptured in the Tadic election this June but now again dissipated. The team does not see this last matter as a defect, however, so much as a transition to pluralism, to be expected as democratization progresses.

Civil society and the political system. Even as we note the need to expand its mandate beyond T&R, we must note the *very real contribution civil society has made to the T&R process*, in particular their success in making abundantly clear the reality of criminal behavior during the Milosevic era and the need to face up to that reality. And partly helping to restore the isolation occasioned as a result of the 1990s have been the *cross-border initiatives* supported by USAID. But these very achievements, as well as the opportunistic behavior of at least some NGOs when foreign funds were flush just after the Milosevic ouster, have created a *poor public image* for NGOs generally. Nor is there much *interplay between civil society and political parties*; the former should be developing agendas and the latter crafting programs to address them.

Local democracy. USAID's Community Revitalization through Democratic Action (CRDA) program has created a large stock of *local social capital* through its work at the sub-municipal level, which should be incorporated into future DG programming. This seems especially important, given the *stunted spectrum of local civil society activity* paralleling that we earlier observed as the national level.

Other donors. Though other donors also support civil society initiatives, we found little evidence of coordination among them. Given that virtually all of them project their allocations to shrink, however, some material collaboration would be well worth thinking about.

Civil society recommendations

1. **Enlarge civil society's sectoral coverage.** Caught up as it has been in war crimes issues, Serbia lags far behind other political systems in the CEE region in developing a pluralist civil society, and as these other states democratize further, this gap is sure to widen. Now is the time to expand meaningfully beyond T&R into the full civil society spectrum at both national and local levels, hopefully in concert with other donors.
2. **Maintain the T&R agenda.** Even as USAID programming hopefully expands into new civil society dimensions, an emphasis on supporting the T&R effort should continue for the inherently unsustainable CSOs pursuing it.
3. **Build the CRDA experience into future DG programming.** This should begin immediately, in order to capture the social capital created by programs ending in July 2004.
4. **Coordinate with other donors,** especially in exploring a sectoral division of labor in building civil society beyond the T&R dimension at a time of anticipated funding reductions. This recommendation does not call for program funding so much as an allocation of USAID management time.
5. **Encourage NGO self-sustainability.** Other donors should be interested in this also. This theme should be given more prominence if USAID's DG funding decreases more rapidly than anticipated.
6. **Make training more relevant.** The needs assessment recommended here would not cost very much, and could be an initial phase in building NGO expertise centers.

7. **Use core funding to build NGO expertise centers.** This recommendation fits in with the one just above on training.
8. **Promote networks and coalitions.** This should be done at both national and local levels.
9. **Improve the NGO image.** This recommendation should dovetail in with media programming covered in the assessment of that sector already undertaken.
10. **Build NGO-party relationships.** We see this more as a recommendation on the political party side of our report than the civil society side, so have given it a lower priority here.

Principal findings on political processes

Serbia has made significant progress in the transition from authoritarian rule but shortcomings in political processes and the political party system hamper its evolution as a free-market democracy. The Assessment Team found a number of deficiencies afflicting political parties, ranging from their personality-centered character and weak organization to anemic policy development and poor constituency outreach and communication. The party system as a whole is contending with the legacies of the dysfunctional communist and Milosevic regimes and challenges revolving around cooperation with the International Tribunal in The Hague/facing the past (an issue on which the pro-reform parties have shown little moral leadership), unsettled boundaries and economic stagnation.

The victory of Democratic Party (DS) standard-bearer Boris Tadic over his nationalist opponent in the recent presidential elections shows that the pro-reform parties can put aside their differences when the stakes are high. But Serbia's backward looking parties still command substantial support and failure of the reformers to improve people's material conditions could result in the Radical Party coming to power.

Recommendations

1. **Analyze assistance utilization differences.** USAID/Belgrade should undertake some follow-on analytical work to ascertain why there is such divergence among political parties in using the training and technical assistance they've received from IRI and NDI. The Mission should also ask the parties to define their own needs and priorities and use the information to help inform future programming decisions.
2. **Support policy formulation.** Policy development should be a more prominent part of ongoing and future NDI and IRI programs. Parties need help to develop the capacity to formulate platforms and to communicate their ideas to the electorate. Parties can bolster their own in-house policy expertise as well as tap the wealth of NGOs, think tanks and academic research institutes. Placing substantive issues at the core of constituency outreach and mobilization efforts also minimizes the importance of individual personalities and lays groundwork for effective governing strategies.
3. **Emphasize organizational basics.** Continue to stress the fundamentals of building an effective party organization while also introducing advanced techniques and approaches in

constituency targeting, message development, election analysis etc. A strong party structure is a pre-requisite for success in a competitive political system.

4. **Forge links with other democratic institutions.** Exploit synergies between political party building efforts and other programs in the democracy and governance portfolio. Civil society strengthening, community development and improving local governance all offer opportunities to link with political party work, primarily at the local level. NDI and IRI programs could be adjusted to devote more resources to the municipalities where political parties play a large role in shaping governing institutions.
5. **Strengthen parliamentary capacity.** Efforts dedicated to bolster the institutional capacity of parliament should continue and are complemented by existing party strengthening programs, particularly ones that emphasize coalition building and policy development. Ultimately, parliament is only as effective as the political parties that contend for influence within it.
6. **Work with youth and women.** Programs targeting youth and women are extremely important. Young people are generally pro-reform but in Serbia have become alienated from political life while women must struggle mightily to make their presence felt and remain severely under-represented in political party structures and government institutions. Programs should provide promising young people and women leaders the skills they need to make a difference in a democratic political system and encourage political parties to develop strategies to garner their support.
7. **Build internal party democracy.** While not an immediate priority, internal democracy for political parties is essential to the long-term health of Serbia's democratic system. Existing party strengthening programs can be modified slightly to include modules on the basics of party democracy in areas such as pluralism, inclusion, broad dissemination of information, decision-making, transparent procedures etc.
8. **Coordinate with like-minded donors.** Serbia would seem to offer promising opportunities for donor coordination in the area of political party building and parliamentary strengthening. A number of donors expressed interest in learning about others' programs in this area and exploring possibilities for collaborative work. Faced with declining resources, USAID has ample motivation to join and possibly lead such efforts.

Strategic Assessment of Civil Society and Political Process for USAID/Serbia

In this report, a four-person team fielded by MSI offers a strategic assessment, conducted during July 2004, of USAID/Serbia's program in the civil society and political process sectors, with a view to gauging the effects of current activities and making recommendations to inform the crafting of the mission's upcoming multi-year strategy now contemplated to begin in FY 2006. Our report begins with a synopsis of purpose and methodology, and then proceeds along two tracks reflecting the two sectors under analysis. For each one we present our main findings, our recommendations, and a prioritizing of the recommendations.

I. INTRODUCTION

A. What we are looking at

Our report focuses on USAID/Serbia's Strategic Objective (SO) 2.0, "More effective, responsive and accountable democratic institutions," and within it on two of this SO's Intermediate Results (IRs), namely 2.0.2, "Civil society, political party and trade union capacity to serve and represent citizens enhanced," and 2.0.4, "Record of largely free and fair elections established." These programs are presently scheduled to end in March/April 2005, so it is appropriate at this juncture to contemplate what follow-on initiatives the Mission in Belgrade might consider undertaking.

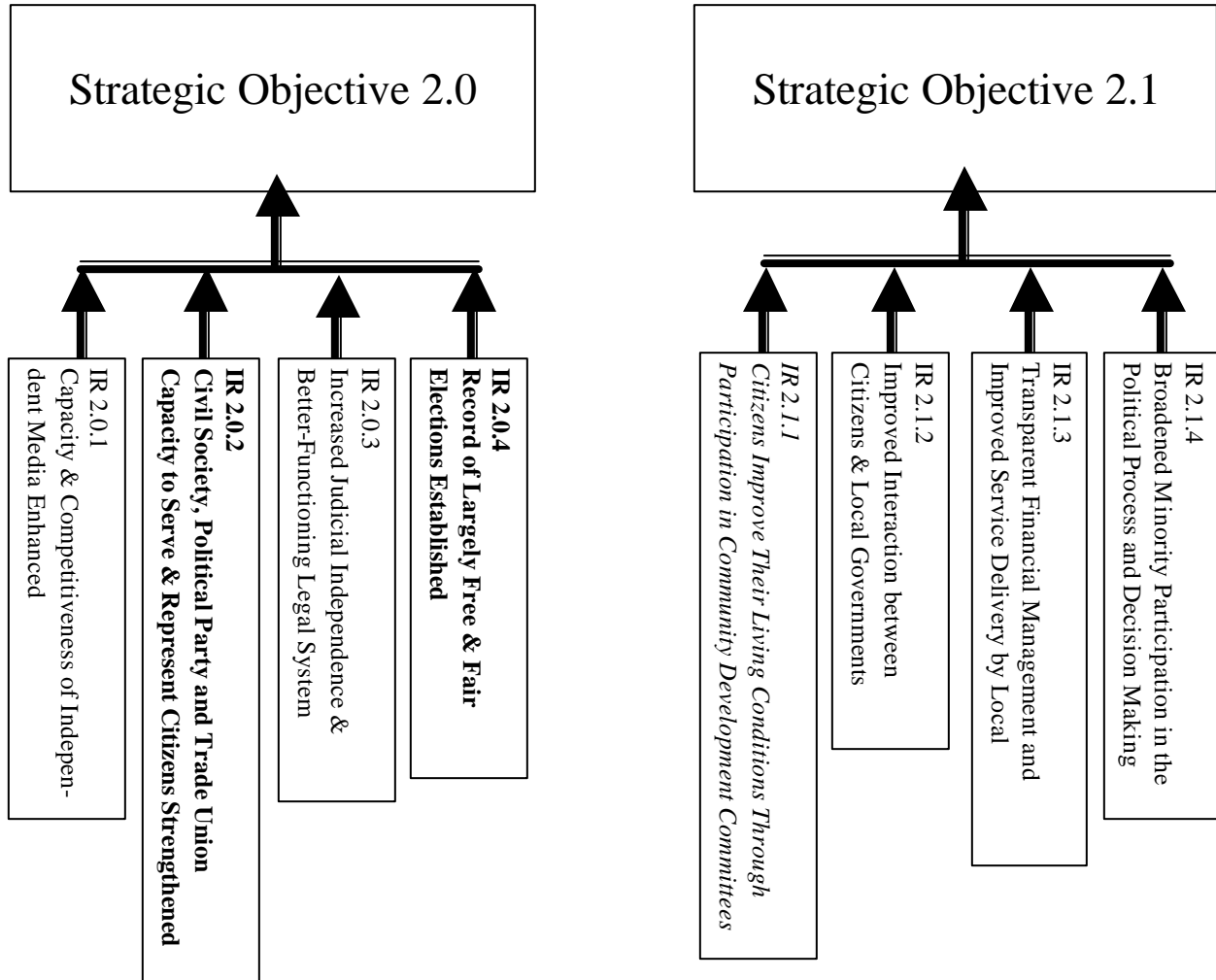
In addition, we included some attention to SO 2.1, "Increased, better-informed citizens' participation in political and economic decision-making," for while its activities are not specifically within our charge (other outside teams are assessing them over the course of the summer), two of this SO's components do relate closely to the civil society side of our assessment, i.e., IR 2.1.1, "Citizens improve their living conditions through participation in community development committees," and IR 2.1.3, "Broadened minority participation in the political process and decision-making." These SOs and IRs are shown in Chart 1.

"Civil society" we are defining as voluntary (though not necessarily involving volunteers), non-profit, organized activity that is autonomous from the state. The organizations (formal or informal) comprising civil society can be engaged in advocacy (representing the interests of a constituency to the state) or service delivery (providing goods and/or services to a constituency) or some combination of the two. "Political processes" for us mainly concern political parties, though we devote attention as well to elections and legislatures.

The recommendations we will be making come at a time of anticipated budgetary tightening for USAID/Serbia. Thus in all likelihood, the US\$4 million requested for civil society programming for FY 2005 and the similar amount requested for political processes will be reduced for the next DG strategy period. We will be keeping these probable parameters in mind as we proceed.

Chart 1. USAID Serbia DG Strategic Objectives and Intermediate Results

(SOs and IRs in **boldface type** are the primary focus for this report, while those in *italics* are also considered)



B. Team composition and methodology.

Our team, fielded by MSI of Washington, DC, consisted of four members, supplemented by two interpreters. Members were:

- Harry Blair, the team leader, who is Senior Research Scholar and Lecturer in political science at Yale University and has led a number of USAID civil society assessments, with recent ones in Macedonia (summer 2003) and Kosovo (spring 2004);
- Robert Herman, a Senior Associate at MSI concentrating on its Democracy and Governance Analytical Services IQC with USAID. In the Balkan region, he has helped develop strategic plans and program interventions in Croatia, Macedonia, and Bosnia.
- Danko Cosic, until recently Executive Director of the Center for Free Elections and Democracy (CeSID) in Belgrade and currently Director of ProConcept, and new NGO in Belgrade supporting the development of non-profit structures.
- Marguerite Galaty, presently Senior Democracy Advisor for the Europe and Eurasia Bureau of USAID/Washington, after serving as Director of Civil Society for Mercy Corps International. Her Balkan experience includes *inter alia* a Peace Corps stint in Bulgaria.

In addition, Novak Vuco served as logistician for the team, and Bojana Sekulic as interpreter.

Our working methodology included the following components:¹

- Document perusal, mainly the USAID materials from the mission, reports generated by USAID implementers, and various pamphlets, studies, manuals, etc., generated by Serbian grantee organizations;²
- Key informant interviews with USAID staff members, major implementers (Freedom House, IRI and NDI, as well as several of the CRDA contractors), officials at national and local governmental levels, program grantees, and NGO leaders (from USAID grantees and non-grantee organizations);
- Interviews with representatives of the major pro-democratic political parties;
- Meetings with other donors and officials; and
- Field visits to several municipalities in different parts of the country – Bujanovac, Kragujevac, Niš, Novi Pazar, Novi Sad, Preševo and Vranje.
- One focus group session in Niš.

¹ Appendix C provides a schedule of the team's activities, including all meetings, interviews and field visits.

² Appendix B contains a list of references used.

C. What this report is and is not

As an assessment of the civil society sector in Serbia, the present report includes a very broad-gauge review and appraisal of USAID-supported efforts to assist civil society in that country, for the purpose of offering recommendations to inform the Agency's civil society strategy over the next several years. This meant devoting as much attention as we could to USAID programs operating in these two sectors, in particular Freedom House as the principal partner working in civil society and both IRI and NDI working in political processes. Doing so meant that we looked at a number of the sub-grantees in both sectors. In addition, we visited several CRDA partners and their operations in the field where doing so fitted in with our visits.

We need to stress, however, that this kind of "assessment" does not in any sense constitute a formal evaluation of these programs or their implementers. We analyzed a number of aspects of these programs, but only in the interest of our general understanding of their purposes and activities, not with a view to evaluating them as programs. Rather our task has been to draw up a broad picture of the overall USAID effort to support civil society and political processes. Thus our appraisal and critique of these programs should be taken as representing the impressions and understandings gleaned from our review, not an official evaluation. Other mechanisms are available within USAID for that purpose.

Having made these observations, however, we would like to go on to say that in what we did see of the Freedom House, IRI and NDI programs, we were very favorably impressed with the professionalism, dedication and insightfulness we observed in all of them. The two senior members of the team in particular have reviewed and assessed many USAID-sponsored DG programs in many countries over the last decade and more, and these partners we encountered in Serbia were as good as any we have seen elsewhere.

II. PRINCIPAL CIVIL SOCIETY FINDINGS

A. Consequences of the Milosevic era.

As with any set of institutions, civil society has to contend with the history it finds. But in Serbia this challenge is exacerbated in a unique way.

A triple legacy. All countries in USAID's E&E region deal with a dual legacy from their Communist past that acts as a constraint – in some cases quite a debilitating one – on building democratic institutions and practices. First, as represented in Chart 2, there is the inheritance of statism from the Communist era, in which a highly centralized and authoritarian state had essentially no accountability to its citizenry. Nor was there any incentive for employees of the state to perform, given that all had what amounted to a lifetime guarantee of employment. As a result, citizens depended on the state for virtually all development initiatives. Democratic transition offers the opportunity for remedies to these problems, as indicated in Chart 2, along with inducements – both external and internal – to implement such remedies. In some E&E countries – especially those in the “northern tier” like Poland and Hungary – political elites have availed of these remedies (with membership in the European Union acting as a powerful lure), while in others such as the Caucasus and Central Asian countries, progress has been exceedingly slow along these lines.

Chart 2. History's triple legacy in Serbia and its consequences

Legacy	Consequence	Remedy	Inducement: external	Inducement: domestic elites
Communist statism	No state accountability; No performance incentive	System reform	EU membership lure	Desire to attain standards
	Citizen dependence on state	Citizen initiative in market (entrepreneurism)	Economic growth in EU	Desire for economic growth
		Citizen initiative in polity (civil society)	Donor CS assistance; Local CS links to int'l CS organizations	Response to citizen pressure for accountability
Post- communist criminality	Large-scale corruption; Gangster-state relations; Trafficking; Police abuses	Transparency; State accountability	EU lure – clean up the act	Business desire for stable predictability; citizen demand for accountability

Legacy	Consequence	Remedy	Inducement: external	Inducement: domestic elites
Milosevic era	ICTY stress on political system; Victim self-image, reactionary nationalist constituencies; “Geostrategic significance” reversed, Serbia as pariah	T & R – but what is “R”? <i>Retribution</i> (punishment)? <i>Recognition</i> (acknowledgment)? <i>Resignation</i> (quid pro quo for EU entry)?	International pressure, esp. EU & USA	Political will; leadership desire for international respect

A second legacy has been the gangster-based systems that have succeeded the command economies of the Communist period, aided materially by corrupt sell-offs of state facilities to private sector buccaneers. State accountability and transparency continue to be missing from the polity, while impunity reigns. Again, some successor states have cleaned up, prompted by the chance for EU membership and also by a business community more eager for the long-term gains to be derived from a predictable market and tax climate than for the short-term advantages to be had from bribing officials.

Serbia has lagged well behind most of the former Communist states in dealing with both these legacies. It continues to be a highly centralized state with a substantial (if slowly shrinking) sector of state-owned enterprises, and rampant corruption on the grand scale. Trafficking in all sorts of illegal goods from people to drugs are among the consequences. Indicative of the state of things is the mélange of seamy gang-related stories surrounding the assassination of Prime Minister Zoran Djindjic in March 2003, many of which are widely accepted as being true.³

If these were the only legacies besetting democratization in Serbia, the polity might overcome them, as a good number of other systems in the E&E region appear to be doing. But in Serbia these constraints are greatly compounded by its third legacy, that of the Milosevic era of the 1990s. This third inheritance exercises a huge drag on the whole democratization process in Serbia, arguably exceeding that induced by the first two legacies. This is a matter worth exploring at some small length in view of its impact on Serbian civil society development.

The disastrous warfare in Croatia and Bosnia, the “ethnic cleansing” in Kosovo, the NATO interventions, the International Criminal Tribunal for Yugoslavia (ICTY) and the Milosevic’s extradition to that body, the ICTY demands for the surrender of other alleged war criminals such as Ratko Mladic and Radovan Karadzic combined with the Serbian governments failure to capture them – all these factors have turned Serbia into a pariah state within the European region. The “geostrategic significance” Yugoslavia enjoyed during the Cold War as both East and West courted the Tito regime has not only been lost, but reversed; Serbia is now widely seen abroad as

³ See Freedom House, *Nations in Transit 2004*, chapter on Serbia and Montenegro, section VI on corruption (draft copy provided by Freedom House).

a place to be avoided, not cultivated. Partly as a result of all these developments, but partly also as their cause, many Serbs have retreated into a kind of nationalism seeing the Serbs as misunderstood victims of Western aggression and unwilling to accede to the West's demands for atonement and surrender of indicted leaders to the ICTY.

Effects of the third legacy. The remedy demanded by the West is “truth and reconciliation,” often abbreviated as “T&R.” But as some powerful constituencies press forward albeit perhaps tepidly to satisfy the ICTY, others resist dealing with it at all.⁴ Even among those willing to entertain the idea of cooperating with the ICTY, the “R” in “T&R” can have a number of meanings other than its official one of “reconciliation.” For aggrieved minorities, it tends to mean “retribution” or punishment for the perpetrators, perhaps combined with “restitution” or compensation for the victimized. For many in the international community, it appears to mean something like “recognition” – acknowledgment for grievous wrongdoing and at least a show of asking for forgiveness. For some of the more practical-minded politicians in Serbia, it seems to signify “resignation” or a willingness to make some gesture of appeasement to outside critics as a *quid pro quo* in return for which the country can move more quickly toward EU membership. These different interpretations and strong urges to demand their realization have meant a lack of unified purpose among those pursuing the Hague agenda and have made the progress of the ICTY more difficult. For their part, those on the other side would drop the “T” in “T&R” and interpret the “R” as standing for “resistance” to any hint of admission of wrongdoing during the 1990s.

As a result of this fundamental division, the whole democratization process in Serbia has become stalled, perhaps even marooned. The principal political parties find themselves badly split over the issue, with the DS, G17+ and SPO coalition tending toward “recognition” and the DSS pondering “resignation”, while the nationalist SPS shying away from the whole matter and the SRS adamantly denying the legitimacy of the issue in the first place. In consequence, the political system finds it difficult to get on with the basic agenda of governance, which should after all be its principal task.

Implications for USAID strategy. Donors generally, but USAID in particular, find themselves expending much of their energy for political party support and most of their effort for civil society in supporting groups contending with one aspect of another of this issue. Human rights, war crimes, minority rights, toleration, refugees and IDPs have become the dominant focus for USG investment in civil society, to the extent that other domains of civil society – in both its advocacy and service delivery dimensions. A look at what are presently the most developed and sophisticated Serbian NGOs⁵ indicates the truth of this assertion; they are organizations like the Belgrade Center for Human Rights, YUCOM, Civil Initiatives, CeSID, Urban-In and Protecta –

⁴ As of this writing in late July 2004, Mladic, Karadzic and others continue to elude arrest, evidently hiding out with the evident collusion of state authorities. See Marlise Simons, “Tribunal Detectives Pursue War Criminals in Balkans,” *New York Times*, 25 July 2004. Even among those willing to entertain cooperation with the Hague Tribunals, there is a reluctance to be seen stepping too far out in front of perceived public opinion. Finding political leaders to sit on the government's commission on cooperation with the ICTY, for example, has proved a very difficult task.

⁵ In contrast with distinctions made in other countries, as well as within much of USAID and the DG literature, the terms “NGOs and “civil society” appear to be used interchangeably in Serbia, both among donors and the NGO community itself. We follow this practice in the present report.

all working either on T&R themes or on election issues. Accordingly, Serbia is falling significantly behind other countries in the region in terms of developing its civil society.

While NGOs in other Balkan states emerge into existence and build capacity to deal with more “normal” issues such as gender, environment, youth, local business matters, health problems and the like, Serbian groups in these subsectors seem few and anemic. The consequences for nurturing a healthy democratic system are significant, to say the least. Corruption, for example, which should be a central theme for civil society,⁶ does not appear to be high on its agenda. Strategically speaking, what should be the T&R tail has immobilized the civil society dog.

We should add at this point that we do not interpret this emphasis as indicating any strategic shortcoming on the part of USAID/Serbia. Given the reality of intransigent resistance to the whole T&R process from some powerful elements on the political spectrum and at best a lukewarm support for it from pro-democratic elements, the democratic transition process was clearly in danger of stalling, perhaps indefinitely. Thus the USAID mission showed good strategic sense in addressing this issue as its main civil society priority. It could scarcely have done otherwise, we believe. But the mission’s DG team could not do everything, and so the civil society programming agendas being addressed in other countries had to receive a lower priority here.

There is, moreover, the objective political situation itself; what occurs in Serbian civil society is not simply a function of what donors do or do not do. Civil society has a life of its own, which would exist in some fashion even in the absence of any donor assistance. And it is quite likely that Serbian civil society would willy-nilly have become subsumed in these same tensions that have convulsed the polity more generally. That is, the whole political furor over the Hague trials would have sidelined the development of civil society in other directions anyhow.

In any event, the consequence is that civil society more generally has become malnourished just as its human rights arena has become more robust. But today, even though the primary T&R objective has yet to be realized, it is time to include some that other agenda even as the effort toward T&R continues to be a major theme in the DG portfolio.

A lost generation. In contrast with those growing up in Yugoslav times, when people had a degree of access to the outside world that was unrivaled in the Communist bloc, citizens coming of political age in the Milosevic era were largely cut off not only from Europe and beyond, but even from the other countries of former Yugoslavia. High schoolers and college students who could once have roamed freely around Bulgaria, Hungary and even Germany or France, found in the 1990s that they could not even go to Slovenia or Macedonia without a great deal of effort. Not a few people remarked to team members on the humiliation they felt at having to apply in long lines to obtain a visa to visit Bulgaria, a country that earlier was only too happy to give free entry to Yugoslavs from what was then considered a more advanced economy and society. Now that situation is reversed. Just as important, the Milosevic government superintended a steady media diet of vitriol against other former Yugoslav nationalities and the West, as well as assuring a similar bias in the educational system.

⁶ Serbia tied with Macedonia for 106th place out of 133 in Transparency International’s 2003 Corruption Perception Index, the lowest among Balkan countries (even Albania was higher). Clearly, corruption should be a major focus of civil society concern.

The result of this decade-long isolation is that a generation of younger people have little sense of the outside world or Serbia's place in it. Not surprisingly, younger people (especially those in their early 20s) display a significantly higher tendency to sympathize with nationalist sentiments than those only slightly older.⁷ For USAID democracy strategy, the implication is that it is not just unreconstructed apparatchiks, war veterans and old believers of one stripe or another that support the nationalist cause; it is also large segments of the younger generation. It would be dangerous to ignore them. Support for initiatives like the hugely successful series of EXIT rock concerts, which have drawn several hundred thousand younger people (including thousands from outside Serbia) for four years in a row to a well-crafted combination of music and evangelism for toleration and inter-ethnic understanding, are helpful here, but clearly more needs to be done.

B. Internal dimensions of the civil society sector

Here we consider the internal aspects of Serbia's NGO community, first as USAID program efforts affect NGOs, and then as NGOs relate to each other.

Core costs and civil society institution building. Common practice in democracy support programs (for all donors, not just USAID) assumes that NGOs can cover their basic operating expenses and need only program expenses to carry out specific activities as grantees. Everyone realizes at some level that this assumption is not true, that the vast majority of NGOs, particularly those in the DG sector, are greatly underfunded, constantly scrambling to pay their office rent, utility bills, etc., and depending on their staffs to subsidize their operations by taking low salaries and serving as volunteers. Accordingly, what are supposedly program grants are often used to meet operating costs as well as support the project activity being funded. Small wonder that most NGOs live perilously from hand to mouth and month to month. But because it is easier not to think about such matters, and because funding for civil society is always tight anyhow, donors almost always do not address the core costs issue in any serious way, perhaps allowing 5 or 10% of grant awards to go toward operating expenses. This kind of blind-eye approach, however, is probably not the best way to build a strong civil society, especially in a country like Serbia, which is so far behind the regional curve in doing so. Unless at least a few CSOs can stay on their organizational feet long enough to gain sufficient institutional traction to develop long-term sources of support, civil society will necessarily remain precarious.

Thus it is worth noting that USAID/Serbia has shown the courage to award core grants in several cases on a competitive and experimental basis. Thus far, CeSID, YUCOM and Civic Initiatives have received such grants, which have enabled them to become steadier operations. Unfortunately, as all signs point to a decrease in USAID funding available for civil society, core funding is likely to become a programming luxury to be eliminated in future years.

Training – too much or the wrong kind? A number of NGOs asserted to us that they've had enough training (especially from expatriate trainers at weekend seminars), and that it's time to move to more program assistance to enable them to get on with the job they want to do. This seems a widespread complaint, not just directed at USAID by any means. Yet at the same time it seems evident that, while perhaps many NGOs have learned how to write a grant proposal,

⁷ See, for instance, recent survey research findings by Dragan Popadic, "The Roots of Ethnocentrism" [Danko – need the citation for this study – can you supply it?]

essential skills are still lacking in such areas as strategic planning, network building, monitoring/evaluating, etc. It seems likely, then, that a different order of training is now called for, one that would focus on more advanced dimensions of NGO capacity.

Sustainability. Serbia resembles many post-conflict and post-transition countries (e.g., El Salvador, Macedonia, the Philippines) in its trajectory of donor funding for civil society. The pattern looks something like this:

- (i) a sudden influx of donors looking to finance civil society organizations in the first flush of post-conflict enthusiasm;
- (ii) many dubious NGOs financed along with sound organizations;
- (iii) a(n often rapid) decrease of funds and consequent NGO shakeout;
- (iv) donor admonitions and some guidance about seeking other funding sources;
- (v) a realization on all sides that the going for NGOs will become much rougher and that good ones as well as bad are in danger of falling by the wayside.⁸

Here the picture is made worse by the need to expand civil society support into more sectors just as funding for such support is declining. Other countries enjoy the comparative advantage of having been able to get a good start on building a pluralistic array of CSOs during the more expansionary phase of donor assistance.

Cohesion and purpose in the civil society community. The unity achieved within the civil society community during the anti-Milosevic drive of 2000 was exemplary, serving as a model for how to oust a dictator through peaceful means. But the very success of the campaign has in a real way caused problems, for afterwards people nostalgically looked back on it and lamented civil society's subsequent inability to recover the sense of cohesion and purpose it possessed during those heroic days. It proved possible to revive some of that unity in pressing the (thus far unsuccessful) effort to induce Parliament to pass a Law on Associations, and then most recently in the Pro-Tadic campaign, but these initiatives never matched the dynamism of the anti-Milosevic drive, and there seems a real sense of unease that it can never be regained. The NGO community is seen by many as floundering without a galvanizing cause to pull it together.

But we have to ask whether this apparent lack of unity really constitutes a problem for civil society. A flourishing civil society has many foci, after all, reflecting the many agendas of a galaxy of CSOs; this is what democratic pluralism is all about. It must be not only expected but welcomed. Unity is a wonderful and essential quality at times of great crisis, but in a pluralistic polity, many different CSOs should be pursuing their many different goals. Civil society has not "purpose" but "purposes" in the plural. What is perceived as a problem should be seen as the beginning of a solution to the challenge of expanding beyond a T&R focus to wider civil society concerns.

⁸ There are, of course, some countries that can count on a continual flow of donor support for NGOs (e.g., Bangladesh, Mozambique) and thus are not subject to this scenario. As a relatively advanced country in the E&E region, however, Serbia is clearly not among them.

Even so, the NGO community does have and will continue to have some interests in common. In addition to the NGO law mentioned above, legislation on freedom of information, anticorruption. Doubtless other situations will arise, especially regarding the enabling environment for civil society – tax laws, registration and reporting requirements for NGOs, etc.). Ad hoc NGO coalitions should be able to meet these challenges, though for some of the smaller organizations, an umbrella body representing their interests may well be helpful.⁹ For NGOs working in a particular sphere of activity like women's issues, youth, environment, networks and sectoral coalitions are likely to prove useful and should be explored.

C. Civil society and the political system.

In this subsection, we take up some important aspects of what NGOs are actually doing in their activities. While just above, our focus was on internal NGO operations, here it moves to external efforts to affect the polity and its players.

Pressing the T&R agenda. Our concern for expanding civil society's mandate beyond the T&R agenda must not blind us to the very real contribution NGOs have made toward realizing T&R. As related above, the Serbian polity has faced an extremely difficult challenge in having to come to terms with the Milosevic legacy of oppression at home and war crimes abroad. Many of the most impressive NGOs we met have been dealing with the aftermath of the Milosevic era, and they have done impressive work, both on the national level (Belgrade Human Rights Center, Center for Modern Politics, Helsinki Committee for Human Rights, Humanitarian Law Center, Lawyers' Committee for Human Rights [YUCOM]) and the local level (Panonia and Center for Tolerance and Integration in Novi Sad, Protekt in Niš, Urban-In in Novi Pazar, Center for New Vision in Preševac, Council for Human Rights in Bujanovac).

Collectively, these organizations have made it abundantly clear that war crimes and state atrocities were indeed committed, that wrongs remain to be righted, and that some kind of reconciliation will be needed if Serbia is to join the community of nations on anything like a sound moral footing. The "T" part of T&R, in short, has been amply demonstrated. In the absence of these CSOs, it is extremely doubtful that any of these developments would have occurred. And though the need for them will continue for some time, few if any of them will be able to survive on their own, whatever advances may occur in terms of NGO sustainability, for human rights organizations are by their nature unsupported by the constituencies they serve.¹⁰ In other words, those in need of their help are by definition those least able to pay for services rendered to them. Victims of human rights abuses cannot pay their legal fees. So they will need support for as long as T&R remain a problem for Serbia.

⁹ A good number of smaller NGOs appear to find the FENS federation useful, but the bigger and more successful NGOs tend to think it would not be productive to force themselves into the same mold, perhaps reflecting our observation in the text that pluralism in the NGO community is something to be welcomed rather than worried about.

¹⁰ In the industrialized countries, such CSOs can pay their own way (e.g., Amnesty International, Human Rights Watch), but that is because they can appeal to a relatively wealthy population accustomed to charitable giving, as well as to Western foundations.

Cross-border initiatives. Working against the backdrop of Serbia's moral and institutional isolation in the region, Freedom House has supported a number of CSOs mainly in the human rights field to forge transnational ties that have served as important transmission belts for ideas and a comparative perspective on political development. Some of these organizations operate in Belgrade on the national scale (and most spectacularly there is the high-profile EXIT enterprise with its huge annual festivals), but others are more modest organizations in towns near the country's borders. Their task is an uphill one and probably has to be seen in a long-term perspective, but is well worth supporting.

NGO public image. The public perception of NGOs has not been very favorable. Opportunism, greed, willingness to sell out to foreigners, insincerity, even anti-patriotism are NGO characteristics in much of the public mind. Some of this picture, regrettably, has had at least a partial foundation in fact, for in the early post-Milosevic days when many donors flush with money were eagerly supporting anything resembling an NGO, a good number of charlatans, "briefcase NGOs," and the like received funding. Since then, as donor purses have shrunk, most of the marginal NGOs have withered away. But that unhappy public image remains, in Serbia as well as in other E&E countries that have been through this funding trajectory. A second factor contributing to the unfavorable image, of course, has been civil society's very success on the T&R and cross-border fronts noted above. Truth here, as well as its bearers, have not necessarily been welcomed.

To reverse these impressions will be something of a challenge, but it is not impossible by any means. Better public relations is one answer here. An expansion of civil society into service delivery areas, as we suggest elsewhere in this report, will also help improve the NGO public image.

Civil society and political parties. Parties in Serbia generally do not think in terms of programmatic appeals to constituencies (e.g., equal job rights for women, health clinics in Roma neighborhoods, crackdown on polluters), nor do civil society groups as such make demands on political parties. Such relationships need to be cultivated on both sides (not too much, however, lest parties become captives of civil society constituencies, or – more likely – civil society groups find themselves in thrall as vote banks for particular parties). This theme is explored more fully in our analysis of political parties below.

D. Local democracy.

Just as civil society plays a critical role at the national level in enhancing citizen participation in public decision making and holding the state accountable, so too it exercises a similar role at the municipal level, where the state is fully in need of both these activities – indeed, perhaps more so, inasmuch as political parties and the media are less likely to fulfill the functions of promoting debate and acting as watchdog at the local level. Two aspects of local governance in particular need attention in Serbia.

The CRDA experience. The Citizen Development Councils (CDCs) organized by USAID's Community Revitalization through Democratic Action (CRDA) program under SO 2.1 are perhaps not exactly "civil society" in the orthodox sense, for although they are voluntary, non-profit and promoting the interests of their constituencies, they aren't really autonomous in that

they do not exist except in relation to the state and more particularly in relation to the CRDA program. But they certainly amount to being a very close relation to CSOs, and more importantly, they play virtually a Tocquevillean role in providing “schools of experience” in grassroots citizen democratic action.¹¹ Elected in open meetings at the mesna zajednica (township) level, the CDCs select and prioritize (mostly infrastructural) project activities, prepare plans for them, help raise local resources to implement them, and take a part in implementing and monitoring them. Given the circumstances of rural Serbia, this has to be judged an excellent way to build social capital.

The first CDC wave involving citizens in participatory governance over a three-year period comes to an end in July, an experience that will surely be lost unless there is some follow-on effort to harvest and build on it. An ideal way to do that would be to incorporate this newly created stock of social capital into USAID’s future DG strategy.

An incomplete civil society. In the places we visited, local NGO activity seemed to parallel the national scene, focusing on human rights, refugees, etc. Other sectors appeared much less prominent, and in many cases virtually absent, so far as truly active organizations go. In our field trips to the smaller towns like Novi Pazar and the southern Serbia locales, for example, there appeared very few NGOs apart from those dealing with T&R issues – not enough actively operating ones to convene a focus group as we did in Niš.

Moreover, municipal and party officials did not appear to have much interaction with NGOs individually or collectively, though the former were quite involved with CRDA activities (understandably enough, perhaps, given that CRDA provided funding for its projects)..

E. USAID relations with other donors

Coordination. Not surprisingly, given the profound reality of the Milosevic legacy, other donors have also been supporting civil society. We met with representatives of the Balkan Trust Fund, CIDA, DFID, Norwegian People’s Aid, the Open Society Foundation, and SIDA.¹² But although the players are known to each other and don’t consciously interfere with each other’s activities, there is little coordination. As one donor representative put it in an interview, “There’s little direct overlap between what we [different donors] do, but then there’s no harmonization either.”

Evidently, thus far donors have felt little incentive to invest much effort in coordination (and we should say here bluntly that any serious attempt at coordination would take considerable effort in donor managerial time and energy). However, as donor funds collectively shrink, donor collaboration could make assistance go further and could assure that critical fronts are being attended to. It is well worth thinking about.

¹¹ The team looked (albeit far too briefly) at CRDA activities being implemented by ACDI/VOCA, ADF, CHF, and Mercy Corps.

¹² Repeated efforts to meet with the European Agency for Reconstruction (EAR) proved unavailing. EAR’s principal officer dealing with civil society was on vacation, and others appeared unable to fill in for him. This omission was unfortunate, because indications are that unlike the other donors (except the Balkan Trust Fund), EAR appears to be increasing rather than decreasing its support for civil society in Serbia.

III. CIVIL SOCIETY RECOMMENDATIONS

Our recommendations are presented in essentially the same order as our analysis in the preceding section. In the next section, we will prioritize them into the order we believe will most effectively promote the democratization process.

A. A full spectrum of activity

Widen civil society's scope. USAID/Serbia should expand the range of civil society activities assisted from the present predominant focus on human rights/war crimes advocacy to the full spectrum of activities supported elsewhere: gender issues, youth, environment, minorities, etc. In this connection, USAID should encourage the development of service delivery organizations that can get involved in politics: disabled children, alcoholism, drug addicts, small businesses, chambers of commerce, youth clubs, and the like.

Establish a parallel track. This more “normal” civil society assistance should become a parallel track to the present focus on human rights/war crimes. USAID should not wait for the war crimes/T&R issues to be settled before moving on to serious support for the rest of civil society, as full resolution is likely to take a long while.

Encourage pluralism rather than a central purpose for civil society. Encouraging a multiplicity of CSOs to pursue different sectoral agendas will produce a healthy cacophony in the polity. The civil society that had been united in ousting Milosevic will act to promote disparate and even contradictory ends (e.g., developers vs. environmentalists); this is how it should be. It is after all the competition between civil society interests that allows the media to illuminate alternatives and citizens to choose among them, just as it is competition between political parties that permits people to judge one program against another and make intelligent choices between them.

Regain the lost generation. While events like the EXIT festivals are hugely popular and should be continued, for the belie any image of Serbian youth as hopelessly mired in a backward-looking nationalism, their impact is at best intermittent. Efforts to support youth-oriented NGOs should continue , emphasizing in particular linkages to the region and the criticality of what needs to be done for Serbia to join the European community more fully.

B. The NGO sector in its internal operations

Employ core funding to create centers of NGO expertise. Civil society capacity will not be so well established by the time donor funding seriously diminishes that it can be considered self-generating, unless one or more centers of knowhow and state-of-the-art knowledge can carry on this necessary component of civil society. Earlier experience in the “northern tier” countries of

Eastern Europe should be instructive in this regard.¹³ There are at least two good ways to do this:

- Directly funding the creation/strengthening of one or more centers through an RFP process. This approach would mean picking the most suitable NGO(s) to become centers of expertise, preferably through a competitive process such as that used to select NGOs for the Freedom House core grants. The risk is that the NGOs selected might not in the end choose to offer training that would really benefit those being trained.
- Indirectly supporting the strengthening of such centers by supporting NGOs to purchase expertise from centers of their choosing in order to strengthen their own capabilities. This method would allow demand from the user NGOs to determine what training was most necessary – what amounts to a market-driven selection of skills to be learned. Here the danger is that the NGOs to be trained might not necessarily be the best judges of what they need.

Make civil society training more relevant. Some of the issues noted just above might be resolved through a training needs assessment bringing together NGO ideas of what they think they need and Agency partners' analyses of what should be included. On the basis of such an assessment, training programs can be modified and made more relevant to the real needs of the NGO community.

Promote networks and sectoral coalitions. As NGOs working on gender issues, health problems, minority rights, etc., grow in numbers, forming networks will enable them to become more effective.¹⁴ Such coalitions will likely be essential if NGOs are to attain sufficient "critical mass" to become effective in affecting public policy decisions in their sector. USAID should encourage the formations of sectoral coalitions and networks, both for present NGOs and future ones. We found that the human rights NGOs already working at national and local levels generally had a fair idea of what others were doing in the sector, but they could collectively become more effective with a network to promote common interests. Such efforts must be initiative with some care and delicacy, to be sure, for jealousies and turf issues can be easily aroused, but ad hoc coalitions within a sector (or even more formal ones in some cases, like a women's NGO forum) can increase effectiveness many times.¹⁵ The LGI is already doing this with the Standing Conference of Municipalities.

Encourage NGO self-sustainability. There is a well-known litany of stratagems available to increase resource flow from non-donor sources, none of which is a panacea, but all of which should be pursued in pressing NGOs to seek out other sources of support as USAID and other donors wind down. These include income-generating efforts like selling services (e.g., offering computer training by using office equipment during off-hours), making contracts with the state to supply services (e.g., providing special education for disabled children), building dues-paying memberships (e.g., a sports club), finding in-kind donations (e.g., municipalities contributing

¹³ See Stark Biddle et al. *Lessons in Implementation: The NGO Story, Building Civil Society in Central and Eastern Europe and the New Independent States* (Washington: E&E Bureau, October 1999).

¹⁴ For an account of the utility of NGO networks in neighboring Macedonia, see Blair et al. (2003).

¹⁵ The Philippines offers many examples of sectoral coalitions both successful and less so. See Blair (2001).

office space), and seeking philanthropic support (seemingly a tough sell in Serbia, but businesses might be willing to contribute prizes that NGOs could then in turn use to raise money through contests or raffles). These approaches should be combined with efforts (now in process with the parliament) advocating changes in the legal environment to encourage corporate and charitable giving and easing restrictions in the tax structure for non-profit organizations.

C. The NGO sector in its external operations

Improve the NGO image. It is important that the present low esteem in which many citizens hold NGOs be improved, for in a democratic polity it is critical that citizen associations be perceived as a valuable component of the system. Improvement should come from several quarters:

- Marginal NGOs will wither as funding gets tighter, leaving the stronger and more effective ones in place;
- Growth of service delivery NGOs will expand the public's concept of what civil society does; and
- Improving public relations, especially media savvy, will help project a better picture of the NGO community.

The first two items here will emerge on their own; the last one needs USAID support. Better relations between media and NGOs could usefully become part of the Mission's IR 2.0.1, "Capacity and Competitiveness of Independent Media Enhanced."

Build NGO-party relationships. This objective should be approached from both the civil society and the political party sides of USAID's program. Freedom House should help NGOs to develop programmatic efforts to win party support (women's organizations are an obvious example here), while IRI and NDI advise parties on assembling and articulating appeals to particular constituencies as they try to build constituency bases. NGOs need to think more about broad public policy issues, in other words, not just demands for this or that concession from the state, while parties need to think more fitting conflicting demands into workable programs for governance, not just winning elections.

D. Local democracy

Harvest the CRDA experience. It would be a great waste of USAID investment if the citizen associations created by CRDA were not somehow incorporated into future Agency DG programming. The social capital generated through CRDA should be seen as a precious resource to be reinvested into local governance, either through the LGI or through follow-on civil society initiatives, or (preferably) both. We would hope that one mandate for the CRDA assessment team following our own work will be to explore these possibilities.

Work locally to establish an effective NGO voice. In all political systems, including our own, some mayors and city councils will encourage citizen organizations to participate in policy discussion, but many will not, seeing such inputs as something of a bother, getting in the way of

their best efforts to govern properly. In the post-communist world, the latter tendency is generally predominant. Effort should be made to form NGO coalitions at the municipal level that will have enough clout to become players in public debate and policy discussion. The CRDA experience can serve as an almost tailor-made launchpad to initiate such activities, especially in areas where rural citizens are not represented well (if indeed at all) in municipal policy dialogue.

E. Other donors

Coordinate with other donors. As donor funds shrink, the need to expand civil society's sectoral coverage beyond its present focus on T&R issues is becoming more urgent, lest Serbia fall even further behind the democratization trajectories achieved by other countries in the region. One very good way to make up at least a part of this gap would be to coordinate with other donors, so that one of them might concentrate, say, on supporting environmental initiatives, a second one on youth, a third on gender, etc.

IV. PRIORITIZING THE CIVIL SOCIETY RECOMMENDATIONS

While we believe all our recommendations are well worth implementing, we understand the realities that most of the time it is scarcely possible to do everything at once, even if all ideas are good. We would therefore suggest the following rough priority.

1. **Enlarge civil society's sectoral coverage.** Caught up as it has been in war crimes issues, Serbia lags far behind other political systems in the CEE region in developing a pluralist civil society, and as these other states democratize further, this gap is sure to widen. Now is the time to expand meaningfully beyond T&R into the full civil society spectrum at both national and local levels, hopefully in concert with other donors.
2. **Maintain the T&R agenda.** Even as USAID programming hopefully expands into new civil society dimensions, an emphasis on supporting the T&R effort should continue for the inherently unsustainable CSOs pursuing it.
3. **Build the CRDA experience into future DG programming.** This should begin immediately, in order to capture the social capital created by programs ending in July 2004.
4. **Coordinate with other donors,** especially in exploring a sectoral division of labor in building civil society beyond the T&R dimension at a time of anticipated funding reductions. This recommendation does not call for program funding so much as an allocation of USAID management time.
5. **Encourage NGO self-sustainability.** Other donors should be interested in this also. This theme should be given more prominence if USAID's DG funding decreases more rapidly than anticipated.
6. **Make training more relevant.** The needs assessment recommended here would not cost very much, and could be an initial phase in building NGO expertise centers.
7. **Use core funding to build NGO expertise centers.** This recommendation fits in with the one just above on training.
8. **Promote networks and coalitions.** This should be done at both national and local levels.
9. **Improve the NGO image.** This recommendation should dovetail in with media programming covered in the assessment of that sector already undertaken.
10. **Build NGO-party relationships.** We see this more as a recommendation on the political party side of our report than the civil society side, so have given it a lower priority here.

V. PRINCIPAL FINDINGS ON POLITICAL PROCESSES

A. Introduction and Overview of the Political Environment in which Parties Operate

Effective political parties comprise an essential pillar of a robust democratic society. In addition to aggregating interests and generating prescriptions to address public policy challenges, parties are along with civil society the principal mechanism for linking the citizenry to the government. In countries attempting to make the transition from authoritarian to democratic rule, political parties are understandably under-developed and plagued by many structural and other shortcomings that impede their ability to carry out critical functions in the new democratic order. This is the case in Serbia, which is contending with the after-effects of the dysfunctional communist and Milosevic regimes and a new set of challenges arising in the transition period itself.

Post-Milosevic. Opposition parties existed during the Milosevic years but politics was thoroughly dominated by the leader and the highly centralized Socialist Party (SPS) he headed. Spurred by the OTPOR-led protest movement, an array of opposition parties put aside their differences and successfully defeated Milosevic at the polls. Their stunning and much-celebrated collective achievement may have obscured the fundamental weaknesses of the parties comprising the Democratic Opposition of Serbia (DOS) coalition. Once the common goal that had brought them together was realized, these weaknesses as well as long-standing personality-based divisions came into sharper relief.

To the credit of its constituent parties, and despite these rifts and deficiencies, the new government began to put in place some key, long-overdue reforms and commenced cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY). More importantly, these political parties helped to establish a competitive political process that has seen several elections judged free and fair by international observers, that has widespread legitimacy resting on agreed-upon rules of the game, and has shown admirable resilience in weathering systemic shocks and daunting challenges.

The Djindjic assassination. The assassination of the politically adroit, highly effective and controversial prime minister Zoran Djindjic by forces linked to organized crime groups and vestiges of Milosevic's security forces was a huge setback for Serbia's transition to free-market democracy and for the development of the political party system. Djindjic championed significant political and economic reform and possessed both the stature and political skill to propel his agenda forward. The pace of reform slowed dramatically in the wake of his murder, but the sanctity of the democratic political system was never in question.

Most observers attribute Djindjic's assassination to his steadfastness in promoting a program for change that threatened powerful interests born of the Milosevic years. Others suggest it was the PM's initial, politically motivated dealings with and subsequent crackdown on organized crime and security forces that led to his murder. What is significant is that the different, competing

narratives underscore how Djindjic remains a major presence in Serbian political life with allies and detractors trying to define his tenure and violent end so as to advance their own sectarian aims.

Any sound analysis of political processes and parties in Serbia must take account of the country's fluid and complex political environment. Beyond the twin legacies of the communist and Milosevic eras, Serbia has to deal simultaneously with The Hague Tribunal and unsettled national borders. The Assessment Team also notes that Serbia's pro-democratic forces are contending with an exceptionally high portion of backward looking voters (i.e. supporters of the Radicals and Socialists) compared with other former communist countries at similar stages in their transitions. (See Chart 1).

Democracy slowly evolving. Serbia is less than four years removed from the elections that led to the demise of the Milosevic regime. This is an extremely short time in which to expect the country to develop a fully-evolved political party system and well functioning parliament, especially considering formidable structural constraints, the near-inevitable splintering of the original DOS coalition once Milosevic had been ousted, the seismic shock of the Djindjic assassination, and Western frustration over Serbia's spotty cooperation with the ICTY (even from the pro-reform parties).

The willingness of pro-reform parties to put aside their differences and unify behind the candidacy of Boris Tadic in the second round of the presidential elections shows a level of maturity and an ability to focus on the big picture when the need is greatest. Internecine struggles among the surviving parties that were instrumental in the DOS coalition easily could have prevented pro-reform forces from making common cause in defeating ardent nationalist Tomislav Nikolic. In the end, DS, DSS, G17 Plus, SPO, and the Civic Alliance understood the threat to Serbian political and economic reform posed by the Radicals and closed ranks behind Tadic.

But the warm afterglow of Tadic's triumph should not obscure the serious challenges facing Serbia's political parties and the party system more generally. Despite the reformers having outpolled the Radicals, there are a number of disquieting warning signs that suggest Serbia is a long way from consolidating its democratic transition. A near majority holds views inconsistent with the vision of a liberal democratic, multi-ethnic, free-market Serbia firmly anchored in Europe. Opponents are highly motivated, well organized and reliably projected to do well in upcoming local elections. Continued economic decline, drawn out bargaining with the Hague Tribunal, travel impediments, mistreatment of Serbs in Kosovo, and other travails all play to the hand of the Radical Party and allies. Intense rivalries still divide the pro-reform camp and the emergence of wealthy businessman Bogoljub Karic as a political force injects a big "X factor" into Serbia's political equation.

B. Shortcomings of Political Parties and the Party System

The many shortcomings that characterize Serbia's main political parties are generally well known to USAID and thoughtful observers of the country's political scene. They are worth a brief review here because they provide the basis for the Assessment Team's recommendations for future work in this area. The deficiencies fall into a few broad categories covering political

culture and mindsets, organization and operations, and platform and policy development. Together these three dimensions offer a broad, albeit imperfect, picture of the overall state of political parties on issues related to structure, management, values/beliefs and knowledge/skills. The Assessment Team did not attempt to assess the strengths and weaknesses of individual parties but looked at the party system as a whole and some of the common problems that plague these organizations. **Political culture.** Political parties are inevitably embedded in a larger political culture. As mentioned previously, Serbia is dealing with the authoritarian legacies of the Milosevic and communist eras that help explain both the underdeveloped nature of most parties but also the zero-sum view of politics that inhibits constructive interaction and discourse. The previous rules of the game helped give rise to a dominant mindset in which political competitors feel compelled to prevail at all costs because the losers have no influence or access to resources. Victory is all-important; concern about the greater good or the consequences of such parochial thinking for the evolution of a democratic polity are minimal.

The zero-sum conception of politics growing out of decades of authoritarian rule also means that some of the key values and practices necessary for effective and responsive political parties (and national legislatures) in a democratic system are in short supply. Tolerance, compromise, and ability to collaborate are learned behaviors that were not taught, nurtured or rewarded in previous political eras. And in the period that was the crucible for Serbia's nascent democratic order, politics had become so completely polarized and contestation for political power so all-encompassing that the concept of a loyal opposition in the contemporary period seems almost oxymoronic.

The absence of a strong democratic political culture conducive to cooperation among different groups afflicts natural allies as well as ideological rivals. As elaborated below, despite the shared formative experience of collaborating to oust Milosevic, pro-reform parties are deeply divided and at times seem more intent on vanquishing one another than in competing effectively with the country's potent reactionary forces. Individual personality clashes and settling old scores can predominate over a more mature pattern of interaction focusing on substantive differences and shared interests.

Organization and operations. It could be another consequence of Serbia's authoritarian political inheritance that parties tend to be personality-driven entities lacking effective organization and ideological coherence. These proto-parties revolve around the principal standard-bearer on whose shifting fortunes they rise or fall. The appeal to voters is pitched accordingly, retarding the emergence of programs and platforms that address genuine issues and the development of party machinery to create support for them.

Aspiring political party organizations built around individuals tend to be rather anemic and of questionable durability. While almost all of Serbia's main parties, including many of the smaller ones, claim a robust presence around the country, the reality is quite different. With the exception of DS and the Radicals, all the other parties have yet to develop the kind of infrastructure to make them highly effective organizations. Only DS and the Radicals are truly national in scope, have active party branches across the country's municipalities, and machinery that is both operating and visible between election cycles. The party list system is partly to blame because it creates an incentive structure that does not reward the development of strong organization at the local level compared to other systems. Another factor is the overall tendency

to discount the periphery and focus on the capital, a legacy of the hyper-centralization common to both the communist and Milosevic eras. These tendencies have the additional negative effect of discouraging strong links between the party headquarters and local branches, where they exist, and hindering efforts to reach out to ethnic or other minority-centered parties, which invariably are regionally based.

Most of the parties have capable senior people but have done little to build organizations with capacity to carry out a range of important tasks, from conducting analysis and developing a platform to reaching out to prospective supporters and getting out the vote on election day. Resource constraints keep staffs relatively small and there is little money for staff training and development. Recruitment of volunteers also lags. Party activity all but disappears between campaigns, foregoing opportunities to keep some of the most energetic of party workers more engaged in longer-term organization building efforts.

That most of Serbia's political parties are hierarchically structured and have little in the way of internal pluralism or democratic procedures is cited by some observers as sapping organizational strength. This issue is explored in greater depth in subsequent sections but suffice to suggest here that highly centralized and hierarchical organizations can be adept at carrying out routine functions but like bureaucracies the world over, often stifle creativity and innovation – valuable assets in the dynamic environment of party work.

The degree to which parties are able to carry out the range of operations necessary for success in pursuing and exercising political power is closely related to organizational strength. It follows that parties lacking a capable apparatus are unlikely to be able to perform many of these essential tasks. The Assessment Team found that overall, parties did a poor job of identifying and reaching out to constituents, particularly those outside their core group of supporters, and of tailoring messages for different constituencies. Such activities necessitate in-house analytical capacity and well as expertise on executing party strategies.

Well-functioning operations require adequate resources. Most of the costs of running campaigns are financed by the government [need to confirm] but this is not the same as having sufficient funds to build an effective party organization. That requires a capable fundraising operation of the kind political parties (and even more so, civil society organizations) sorely lack.

Policies and platforms. Arguably the most serious shortcoming afflicting Serbia's political parties, including the most highly developed ones, is the dearth of coherent strategies, platforms and programs with which to garner popular support and which would serve as the basis of a policy agenda for governing. Policy formulation and implementation planning are woefully under-developed. Outside of a very few big issues such as cooperation with The Hague Tribunal, political discourse has been largely devoid of a substantive debate over competing programs for improving the lives of ordinary citizens. Mediocre public affairs and media communication operations have compounded the problem.

For a variety of reasons, Serbian political parties have been unwilling and/or unable to articulate their goals in an effort to connect with voters and let them know how the party proposes to bring about or safeguard socio-economic prosperity and democratic freedoms and address the myriad

challenges facing the country.¹⁶ The personality-centric nature of political parties in Serbia and the prevailing attitude among their leaderships that citizens don't care about positions on issues are two of the main reasons that parties have invested so little effort in developing programs. With few exceptions, they have neither carried out nor sought out research and analysis on public attitudes. Only slowly are some parties recognizing the benefit of this type of work for identifying constituencies, crafting salient messages and targeting resources.

In sum, the failure of Serbia's political parties to make substantive issues a more prominent part of their campaigns has many adverse consequences in terms of building a vibrant democratic political system. These include:

- Reinforcing the personality-driven character of the political party system;
- Retarding an urgent national conversation about the future of Serbia and what type of society it aspires to be;
- Contributing to the steady decline in voting since 2000, as citizens feel that parties do not engage issues that matter most in people's lives;
- Alienating young people, who have been strongly pro-reform in other post-communist transition countries, from the political process in Serbia;
- Abetting parties' inadequate preparation for effective governance.

C. Parliament

Although parties were the main focus of the assessment, the Assessment Team could hardly avoid offering some thoughts about the principal arena in which parties compete for influence. As could be expected in Serbia's nascent and fractured democratic political system, the parliament functions only as well as its constituent parts. To the extent that parties are ill prepared to govern effectively, whether in terms of limited coalition building proclivities and skills or inability to articulate and pursue a concrete legislative agenda, parliament is severely handicapped.

Combined with low institutional capacity, these deficiencies render parliament unable to carry out critical watchdog functions or to evaluate information and analysis for use in formulating sound legislative solutions to pressing public policy problems. Even when well-crafted legislation has been drafted, it often becomes bogged down in partisan bickering and frequently is not enacted. The proposed law on NGOs is but one example.

¹⁶ A notable exception is G-17 Plus, which did offer an authentic pro-reform platform and carried through on all but one of its major planks in its capacity as a member of the governing coalition.

Part of the problem is that political parties have a difficult time making the transition from competing for votes at the polls to governing the country. These are related but distinct tasks and require a different orientation and set of competencies. Similarly, there is a constructive role for the loyal opposition that is different than contesting power through elections. For parliament to function effectively as a legislative body requires both greater maturity on the part of political parties and enhanced institutional capacity. Having professional legislators, men and women who are paid enough so as to devote themselves full-time to their jobs, would also contribute to a more effective institution.

D. Cooperation with the International Tribunal in The Hague

This issue merits a separate section in the context of analyzing political party development. As has been discussed elsewhere in the report, the country's relations with the ICTY and the broader issue of coming to terms with Serbia's role in the Balkan Wars remains the pivotal question facing the country. This is a judgment shared by all the party officials with whom we met. According to surveys, a majority of the citizenry favors cooperation with The Hague, if only for instrumental reasons (which is the basic line of argument employed by pro-reform political parties) related to the prospective integration of Serbia into European and trans-Atlantic institutions and the economic bonanza projected to follow.

The parties of the former DOS coalition generally concur that failure to reach agreement with the Hague Tribunal retards Serbia's post-Milosevic transition. But these same parties have not been prepared to join the leading human rights NGOs in advancing a normative argument for cooperation. Convinced that they would be punished at the polls for adopting a stance based on an appeal for moral reckoning, these parties have determinedly avoided developing strategies to deal with the inevitable backlash favoring Radicals and Socialists if additional high profile war crimes indictees such as Ratko Mladic and Radovan Karadzic should be extradited to the Hague. Sadly, the parties of the old DOS coalition have created a self-fulfilling prophecy in which their politically-calculated reluctance to exercise moral leadership on the matter of confronting the past makes sustained opposition to cooperation with the ICTY that much more likely.

The general outlines of such a strategy are fairly clear. Political parties need not adopt the same unrelenting, combative tone of those courageous NGOs that are leading the struggle to force Serbia to come to terms with its recent past. But the parties would have to lay out the factual case that the former regime pursued morally repugnant policies for which the country must be held accountable. Recent disclosures regarding the magnitude of the atrocities committed in Srebrenica [SP??], present a tailor-made "teachable moment" to expose the undeniably effective propaganda of the Milosevic regime, which dominated the airwaves and printing presses, blocking access to alternative sources of information.

Explaining the reasons for Serbia's present predicament would also help to counter the widespread belief that the West despises the Serbian people and is intent on keeping the country isolated. That travel abroad has become so difficult for Serbians is largely a consequence of Belgrade's actions in the region during the 1990s but that is not how things are viewed in the country. Serbians harbor deep resentment and sense of humiliation over their travel-constrained

fate, directing their ire mostly toward the U.S. and selected NATO allies. “We need a visa to go to *Romania*” is the incredulous, oft-heard line expressed by people from across the political spectrum.

There is some evidence to suggest that the pro-reform political parties may be poised to engage the issue of cooperation with the ICTY more fully and directly. There is considerable speculation that the recent election victory of DS leader Boris Tadic over his unrepentant nationalist opponent will give the democratic forces the push they’ve needed, though to be fair, Vuk Draskovic, Foreign Minister and head of the SPO party, has been an outspoken proponent of full cooperation. In contrast, Prime Minister Kostunica has been more equivocal. However, senior members of his DSS party told the Assessment Team that they are optimistic an agreement could be reached with Tadic, who boosted the hopes of human rights activists in mentioning the need for cooperation with the Hague Tribunal in his July 2004 inaugural address.

In sum, we think there may be a window of opportunity to work with the relevant parties to craft a domestic political strategy on ICTY cooperation. Accordingly, we would strongly encourage NDI and IRI to explore the parties’ receptivity and offer their good offices if warranted.

VI. POLITICAL PROCESSES RECOMMENDATIONS

Notwithstanding the solid and at times exemplary work of IRI and NDI, the Assessment Team identified a need for possible recalibration in some areas, especially in response to changing circumstances. Yet only some of the Team's recommendations directly engage individual programs and activities carried out by the two party institutes. Others are pitched at a different level and point to areas where we see ongoing or projected needs in the party building sphere that are unlikely to be met from other quarters. Some of the recommendations have budgetary implications, others entail minimal or no outlays but could involve staff time. We have made an effort to prioritize our recommendations; the following sections generally adhere to a rank order.

1. Follow-on Analytical Work

Looking at the big picture, there is a credible argument that political party work in Serbia is of diminishing utility because the objects of these assistance efforts largely know what they need to do and how to do it. What they lack is the political will to push forward and there is not much that donors can do to galvanize the resolve of reluctant party leaderships. A less reasoned critique might point to the large number of votes going to Radical Party standard-bearer Tomislav Nikolic during the recent presidential elections and conclude that efforts to bolster pro-reform parties have made little difference.

Ultimately, the Assessment Team rejected these propositions and concluded that there remains a need for and receptivity to party strengthening programs and that efforts to date have contributed in important and tangible ways to progress on USAID/Belgrade's strategic objective. At the same time, we think the Mission should carry out some relatively simple and inexpensive follow-on analytical work on two related issues in order to better gauge the most efficacious way forward.

First, USAID/Belgrade should examine why a number of pro-reform parties have not seemed to apply the training and technical assistance they've received. Is it just a matter of needing more time before impact becomes visible, or is it insufficient know-how, lack of will or some other factor that accounts for why, for example, DS has been quick to absorb and make use of information, lessons, techniques etc. but DSS has been lukewarm? Candid sessions with senior officials might yield useful advice for tweaking present programs.

Second, USAID should ascertain in a more systematic way just how the political parties define their own needs, perhaps assisting them with a self-assessment tool for organizational capacity or constituency outreach. Some are genuinely hungry consumers of donor-funded programs while others avail themselves of such assistance only perfunctorily or not at all. To be sure, the parties themselves may not always be the best judge of their own needs, especially in view of the country's isolation and lack of comparative perspective. But the parties also have to assume greater ownership with respect to efforts by the international community to strengthen the political party system. At a minimum, the parties should be actively involved in helping to define and design such programs.

2. Policy Development

For reasons alluded to above, the Assessment Team feels strongly that helping parties to develop the capacity to formulate and communicate policy positions, programs and overall platform should be a high priority and not relegated to second tier status behind organization building, constituency targeting, etc. Actually, we see these two different intervention areas as inextricably linked. An effective party organization has both the requisite infrastructure and a coherent program/set of themes and ideas around which supporters can coalesce. Doing both simultaneously is admittedly challenging but the alternative approach of linear sequencing runs the risk either of severing the necessary tie between them or giving short shrift to the substantive issues.

Holding off on policy development in USAID's present program may contribute, however unwittingly, to parties' relatively poor level of preparation to run the government. It is too late to begin thinking about effective policies and programs to address the set of complex problems facing Serbia only after forming or entering into a governing coalition. That intellectual work needs to start when parties are out of power. The common practice in parliamentary systems of a shadow cabinet is one way that opposition parties develop needed policy expertise.

Another way is for parties to acquire the substantive expertise they need is to reach out to the academic community, NGOs, and think tanks. USAID/Belgrade is particularly well positioned to help facilitate this because it provides funding for both consumers and producers of knowledge. Encouraging parties to avail themselves of the range of policy and program expertise (as well as develop their own) that exists in the wider society is one part of the equation. The other is to persuade these capable non-governmental actors to become idea entrepreneurs actively seeking to influence the evolution of public policy. Typically, a research institute or NGO will organize a seminar or publish a book or report and that is the extent of their dissemination effort. There is much more they could be doing to cultivate contacts in the political parties and the media. This does not necessitate these entities becoming affiliated with particular parties, only that they make a concerted effort to market their ideas in the press and to whichever parties exhibit interest.

We would offer a final point having to do with the actual content of policies to be developed and as in the case of cooperation with the ICTY, think that IRI and NDI can be helpful in helping parties to frame issues. As is well known to all the political parties, the overall poor state of Serbia's economy remains the dominant issue for the citizenry. Encouraging the parties to engage the issue by laying out their ideas for restructuring and rejuvenating the economy, stimulating jobs, promoting investment, etc., would be an important contribution to public policy development and to the maturation of the party system more broadly. Pro-reform parties have both an interest and an obligation not to cede economic issues to Radicals and Socialists offering misleading, irresponsible and sadly popular ideas for improving people's material conditions. Reformers counter with the vision of integration with Europe, while downplaying or ignoring the reality that EU membership is years off at best and that the accession process is a painful one, requiring sacrifice and hardship to meet entry criteria. They should be doing better.

3. Striking a Balancing Between the Basics and the Cutting Edge

Successful party strengthening programs would seem to require a combination of the fundamentals that parties need to undertake to build effective organizations and more advanced

approaches, which, for example, take advantage of information and analysis and proven techniques for the most efficient allocation of campaign resources.

The Assessment Team would urge the Mission to preserve the right balance and work closely with the implementers to ensure that even as parties show greater interest in and ability to use some of the very sophisticated voting analysis and public attitudes surveys done by NDI and IRI in order to hone their messages and better target their efforts, that the basic building blocks of effective party organization not be given short shrift. We recognize that the parties are evolving at different speeds in terms of assimilating and applying what they're learning in USAID and other donor-funded trainings. Moreover, implementers in this sub-field have had to contend with a plethora of elections in a short period, rapidly shifting coalitions, large turnover in party personnel and other constraints.

We found it striking that many of the parties, while quick to tell us what they plan to do, have no coherent strategy. They are able to give expression to what they need to do to elevate the effectiveness of their respective organizations, but frequently do not know and/or lack the skills and capacity to get from Point A to Point B. This suggests that IRI and NDI not abandon the essentials of party building even as they rightly expose the parties to more advanced techniques and how to make use of new information and analysis about the electorate dealing with attitudes and voting behavior.

It also would be a worthwhile goal to encourage the parties to develop their own in-house capacity, if not to carry out large surveys, then at least to be able to analyze data and draw implications, for example, about how to expand their constituency and connect with voters. With an eye toward sustainability, each election cycle should see greater ownership by the parties themselves in terms of message development, targeting, and mobilizing supporters. That some of the more developed parties have begun to fund surveys (using very competent Serbian firms) and research with their own resources is a very positive sign, demonstrating both the value they attach to such information and analysis and growing confidence that they know how to use it effectively.

4. Exploiting Synergies in Mission DG Programming

The Assessment Team noted several opportunities to forge links between political party building efforts and programs in other areas of USAID/Belgrade's democracy and governance portfolio. Specifically, we believe there are synergies to be exploited in the spheres of support to civil society/NGOs, community development (CRDA) and local governance. In some cases, there may not be a need to expand existing programs (hence no budgetary implications) but only to coordinate existing parallel efforts that have different but complementary aims. In other instances, augmented or altogether new programs might offer the best chance to maximize assistance impact.

With respect to community development and local governance, the Assessment Team came away impressed by the apparent success of the CRDA program in stimulating popular participation in the political process at the grassroots level. Establishment of citizen boards and other innovative approaches to encourage people to work together to solve problems holds out promise of a stronger foundation for political party programming. If parties were to develop programs to address economic revitalization at the local level the link between party

strengthening programs and citizen participation efforts under the CRDA initiative would be that much more robust.

Likewise, upcoming local elections, including direct election of mayors for the first time, open up a range of possibilities for political party work at the sub-national level. While political party affiliation may not seem to be so important in the case of mayoral elections, the major parties are moving aggressively to field candidates and NDI will soon be conducting a training with several dozen DS mayoral candidates and their campaign managers. Municipal assemblies are more closely intertwined with political parties given the role of the party list system in determining their composition, now that a proportional representation system has replaced single-member constituencies at the local level. USAID/Belgrade and other donor-supported political party building programs could work with NDI and IRI to redirect some programming attention from the national to the municipal level. Interventions would have to be tailored to the needs of political party actors at the local level. The prospective value of this modest recalibration would certainly increase were Serbia to enact legislation devolving more authority (commensurate with responsibility) to the local level so that sub-national political bodies have greater control over locally generated resources.

5. Focus on Women and Youth

USAID/Serbia recognizes the importance of encouraging the development of young leaders and of helping to empower women to participate more effectively in the political process including occupying senior positions within the parties. The Assessment Team concurs and recommends that the Mission discuss with other donors ways to expand existing programs in view of the fact that young people increasingly feel disconnected from politics (yet also motivated to cast what many experts regard as protest votes for the Radical Party, which gets a substantial share of its support from 18 to 25-year olds) while women still face an uphill struggle to make their voices heard and crack the top ranks of party leaderships in a highly patriarchal society.

There is no shortage of political party oriented leadership training programs designed to give up-and-coming young activists and politically involved women the tools and networking opportunities they need to become more effective advocates. NDI and IRI have implemented them in many countries. In Serbia, such programs would be well advised to tap into the experience of EXIT and OTPOR, two quite different NGOs (and the latter a nascent political party as well) that have enviable track records in mobilizing young people.

With assistance from NDI, IRI and other donors' implementing partners, political parties should develop strategies that reach out to youth and women to secure their support at the polls and to bring them into the party. A companion strategy is needed to ensure that, once in the party, they have a say in determining the party's future direction come to hold influential leadership positions, appear on party lists for parliament and local councils etc.

In most post-communist transition countries youth are solidly pro-reform but increasingly alienated from the political process. Similarly, polling data from these countries reveals a "gender gap" in which women (with the exception of pensioners) strongly favor political and economic reform. These are two constituencies that Serbia's reform-minded parties must reach and do a much better job of improving their status within the party machinery.

6. Parliamentary Strengthening

In the judgment of the Assessment Team it would be a mistake to shortchange parliamentary strengthening programs or to put them on hold altogether until such time as the political party system has reached a level of development more conducive to the emergence of an effective legislature. While we conclude that fortifying political parties is a higher priority, we also see institutional strengthening of the legislature as a valuable complement to political party work, particularly in helping the latter to develop and use policy expertise and to perform well in a governing role. An important element of a well-crafted parliamentary strengthening program is precisely assisting parties to understand how to exercise political power in the service of the country.

Efforts to make the parliament a more effective institution have two basic components. The first is to augment the institution's own capabilities in terms of upgrading the skills of permanent staff, enhancing in-house research, analysis and legal drafting expertise that is made available to members, bolstering the committee system etc. The other component focuses on political parties but in their role as legislators. Coalition building is the key here along with other skills and approaches that will enable parties to carry out their responsibilities as lawmakers.

We are not suggesting that USAID/Belgrade shoulder all or even most of the financial burden of a robust parliamentary program. As discussed in the section on donor coordination, other bilateral and multi-lateral funders may be better suited or more willing to take on this work, freeing USAID to focus on the party building dimension.

The question arises whether to dedicate resources to a parliamentary strengthening program at such a volatile time politically, when the whole composition of the body could change quite substantially as the result of new elections. We do see merit in waiting before commencing any broad expansion of the program since the ability to assist the institution could vary widely depending on the constellation of parties in the body.

7. Internal Party Democracy

In the opinion of the Assessment Team, increasing internal democracy has rightly been one of the aims of USAID-funded political party development programming. We reluctantly conclude that such efforts do not merit high priority at the present time, primarily owing to projected resource reductions necessitating difficult trade-offs within the DG sector. However, the goal of making political parties more democratic in carrying out their work is important, especially over the long-term, because parties are a pillar institution in a democratic society and should serve as incubators for democratic values and practices. It can only accelerate Serbia's post-authoritarian transition if the parties that form the government follow democratic practices and procedures in their internal operations. If we expect these parties to govern effectively in a democratic system then it makes good sense to promote values and practices that emphasize compromise, bargaining and negotiating, vigorous debate, inclusiveness etc. In addition, a demonstrably more democratic party should have additional appeal to an electorate well acquainted with the consequences of authoritarian leadership. And finally, greater pluralism can be expected to hasten and improve policy development within the parties.

NDI presently tries to encourage internal party democracy primarily through wider dissemination of information within the organization's ranks. This is a sound approach but should be supplemented by including workshop modules explicitly dedicated to promoting internal democracy in political party organizations. Discussions might usefully focus on the relationship between enhanced party democracy on the one hand and building a democratic political system and attracting, inspiring and retaining members on the other. The relationship between Belgrade-based party headquarters and local party branches in the larger context of expanded dialogue and debate within parties would be another fruitful way to engage the issue of internal democracy.

It bears mention that the starting point for all such efforts is a likely divergence of opinion between the party leaderships and USAID. For the most part, political party leaders do not place much premium on democratizing their organizational workings, putting USAID and other like-minded donors in the undesirable position of funding programs that are not demand driven. Thankfully, though, political parties are not monolithic. While party leaderships may be less than enthusiastic about reforms aimed at internal democracy, there is often a cadre of middle level, younger operatives that are generally more receptive, more willing to challenge typically hierarchical and highly centralized organizational structures. They would make a better target audience for programs designed to enhance party democracy.

In sum, democratic, accountable, representative and responsive political parties would contribute to Serbia's democratic transition and that goal should be reflected in USAID's program, albeit as a longer-term, second tier priority.

8. Linking Serbian Political Parties to Regional Counterparts

Across the political spectrum our interlocutors expressed the urgency of ending Serbia's isolation, especially for young people who are angry over and deprived by their de facto inability to travel even to former Yugoslavian republics. Serbia's post-Milosevic isolation has continued to exact a heavy toll on the country and been exploited for political gain by the nationalist parties. It is largely up to the Serbian government to take steps necessary to remove the impediments to broader integration in pan-European and trans-Atlantic institutions, though the USG is doing its part to help advance this process through a combination of "carrots and sticks".

Just as some CSOs have done with Freedom House assistance, political parties would also stand to benefit in similar ways from sustained contact with counterparts in the region and farther afield. One possibility is to begin with carefully selected members of parliament or talented party officials and offer opportunities to attend regional conferences or participate in study tours. A few donors such as SIDA and the German stiftungs fund some modest programs along these lines. The prospect of expanding these efforts should be part of the more comprehensive discussion among the donors about coordination and collaboration.

9. Donor Coordination

Even under favorable circumstances, donor coordination can be labor intensive with little value added. Moreover, donors' interests are frequently incongruent, which is the single biggest impediment to greater coordination. In Serbia, however, the few bilateral donors engaged in political party work appear to have similar goals and general agreement as to the nature of the

problem, and prospects for coordination would appear promising. An initial meeting of donors might focus on respective analyses and programmatic responses. The Assessment Team found the main donors and key implementers largely ignorant of the thinking, plans and priorities of others. At the same time, we also found expressions of interest from the German stiftungs and CIDA.

The situation in Serbia is also such that European donors may have some comparative advantages with respect to certain elements of political party and legislative strengthening work owing to their parliamentary systems. In this regard, NDI is fortunate to have as its CoP a veteran of British parliamentary politics while both NDI and IRI can draw on a wealth of organizational experience in settings that share important characteristics with Serbia. In the case of the German stiftungs, they may possess additional assets to make them worthwhile collaborators. Their experience in dealing with a post-communist transition (e.g. absorbing/unifying with the German Democratic Republic) and the critical issue of transitional justice/confronting a painful past on which Serbian pro-reform parties have failed to exercise much moral leadership, make them potentially valuable contributors to cooperative programming.

10. Engaging the Full Spectrum of Parties

The Assessment Team is fully aware that USG policy prohibits contact with the Radical Party (SRS) and with very few exceptions, the Socialist Party (SPS). There is little positive we can say about these parties on the policy front (on the organizational front, the Radicals rival DS in the reach and effectiveness of their operation), most infamously their vociferous condemnation of the ICTY and steadfast opposition to extraditing to The Hague additional Serbians accused of war crimes. But the Team would be remiss if it did not mention some reasons to reconsider the policy if not in the immediate future then at some point down the road if circumstances warrant. Beyond the obvious point that the Radicals constitute a potent force in Serbian politics, commanding the support of some 40 to 50 percent of voters, and could conceivably form a future government, the SRS appears committed to playing by the rules of democratic competition in pursuing political power. SRS leaders may talk about the illegitimacy of the ICTY but not of Serbia's now democratic political system. Granted, there is reason for caution about the party's depth of commitment to democratic norms and principles. It is difficult to say with confidence that a victory at the polls (perhaps in coalition with the Socialists) would result in an SRS government scrupulous in adhering to democratic processes.

According to knowledgeable observers there has also been a potentially meaningful change in the Radicals' rhetoric about European integration. One could dismiss it as propaganda but softening their position on relations with Belgrade's European cousins comes at some risk of alienating core supporters and should therefore be taken seriously.

If the present DSS-led government or perhaps a future one headed by DS were to succeed in eliminating the issue of cooperation with ICTY through an agreement with the authorities in The Hague, the Assessment Team humbly suggests a review of U.S policy on the question of dealing with the SRS and SPS. Of course, for the foreseeable future neither party appears eager for dialogue with the USG or to participate in NDI or IRI party strengthening programs. But willingness to engage the nationalists and socialists could encourage a modest move toward the

Center and help to undermine one of the more effective themes invoked by the Radicals about the West wanting to isolate Serbia.

11. Election Monitoring

Election monitoring was not one of the areas covered by this assessment. However, the Team wants to call attention to the fact that Serbia's recent track record of conducting free and fair elections that meet international standards should not be taken for granted. It could be in jeopardy if, as expected, the Radical Party does well in the upcoming local elections. Municipal parliaments play a significant role in administering elections and the Radicals could be in a position to interfere with the integrity of subsequent parliamentary elections that could come as early as the end of this year. Mayors, who will be directly elected this time around, may also play a role in the process and here too, Radical candidates can be expected to win their share of city hall offices.

The hypothesized danger posed to the electoral process is not idle speculation. There are, for instance, reliable reports that during the recent second round of voting for president, Radical party operatives attempted to tamper with ballot boxes in districts where DS candidate Boris Tadic was all but certain to pile up large majorities. Their aim was to have the results in those voting districts declared null and void.

We are concerned that the international community may not be adequately focused on the risks posed by possible Radical Party domination of various municipal assemblies across the country. To this end we would recommend that in the event that the Radicals do meet with a large measure of success in upcoming local contests, that the U.S. and other donors working in Serbia and Montenegro make every effort to ensure adequate domestic and international monitoring, including observation at the polls, parallel vote count etc. Local NGOs, most prominently CESID, have a distinguished record of monitoring elections and presumably would be called on again to help lead that effort.

12. Courting the Serbian Diaspora

The Assessment Team was pleased to learn that USAID/Belgrade is exploring the prospects for generating support from the diaspora community in the U.S. for Serbia's economic and political transition to free-market democracy. It is not entirely clear to us how to think about the link to political party strengthening efforts other than the obvious observation that many Serbian-Americans no doubt have valuable experience in political parties and NGOs and may be in a position to share that expertise.

Annex A. Acronyms used in this report

ADF	America's Development Foundation [CRDA partner]
CDC	Citizen Development Councils [in CRDA]
CEE	Central and Eastern Europe
CeSID	Center for Free Elections and Democracy
CHF	Community-Habitat-Finance [CRDA partner]
CIDA	Canadian International Development Agency
CRDA	Community Revitalization through Democratic Action
CSO	Civil society organization
DFID	Department for International Development [UK]
DG	Democracy and governance
DOS	Democratic Opposition of Serbia
DS	Democratic Party
DSS	Democratic Party of Serbia
E&E	Europe and Eurasia [Bureau, USAID]
EAR	European Agency for Reconstruction
EU	European Union
FY	Fiscal year
ICTY	International Criminal Tribunal for Yugoslavia
IR	Intermediate Result
IRI	International Republican Institute
LGI	Local Government Initiative
MSI	Management Systems International
NDI	National Democratic Institute
NGO	Non-governmental organization
RFP	Request for proposals
SIDA	Swedish International Development Authority
SO	Strategic Objective
SPO	Serbian Renewal Party
SPS	Socialist Party of Serbia
SRS	Radical Party of Serbia
T&R	Truth and reconciliation
USAID	United States Agency for International Development
USG	United States Government
YUCOM	Lawyers' Committee for Human Rights

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- USAID/Serbia, "USAID/Federal Republic of Yugoslavia: FY 2002 Annual Report" (Belgrade: USAID, March 2002).
- USAID/Serbia, Performance Monitoring Plan, April 2003.

Annex C. Serbia Civil Society & Political Processes Assessment Team Calendar, July 2004

Date	Team	Time	Person and affiliation	Address	TEL
Jun 17th	H R N		Conference call with Ellen/Milan, Dora/Glenn	MSI office, Washington	
Jun 29th	B H	9:00 AM	Paula Shriefer, Freedom House	Freedom House, Washington, DC	
	B H	11:00 AM	Sarah Farnsworth, E&E Bureau, Serbia Desk Officer; Peter Graves, E&E	E&E Bureau, USAID, Reagan Building, Washington, DC	
	B D H M	9.00 am	Art Flanagan, SLGP program; Ted Priftis, DCHA/DG, & Faye Haselkorn, E&E	kneja milosa 50, osa 50	
				US embassy	
July 6th	B D H M	10 15 am	Glenn Chafetz.political officer	Same	
	B D H M	11:00 AM	Keith Simmons, USAID Mission Director	Same	
	B D H M				011 187 064
	B D H M	15 00 pm	Mike Staresinic,Freedom house	Francuska 5/IV?12	011 187 172
July 7th	B D H M	08 30 am	Sonja Biserko,chairman of Helsinki committee for human rights	Zmaj Jovina 7.	011 637 116
	B D H M	10:00 AM	Ivan Vejvoda Chairman of Balkan trust fond	Strahinjica Bana 11	011 636 839
	B D H M	11 30 am	Biljana Kovacevic Vuco Chair, YUCOM, & Milan Simic (Lawiyers committee for human rights)	Krunska 22	011 3244540 011 32 45 960
	B D H M	13 pm	Gregory Simpson, IRI Director, & Kenneth Bricker, Resident Pgm Officer	Djure Jaksica 4	011 32 84 875 011 32 84 689
	B D H M	15 pm	Danijel Pantic Chairman Vojislav Milosevic, Jelica Minic European movement	Kralja Milana 31	
	B D H M	17 pm	Jovan Nicic, Marko Minic Humanitarian law center	Mekenzijeva 67	011 3444 348
July 8th	B D H M	09 30 am	Vojin Dimitrijevic chairman of Belgrade human rights center	Mlatisumina 26	011 30 85 328
	H M	11 00 am	Milos Todorovic from CESID (Center for free elections and democracy)	Lomina 9	063 266 734
	B D	12 00 pm	Nebojsa Covic,from DA A (Demokrtatic alternative),and the head of kosovo Coordination center.	Pallace of federation Main entrance IV floor	063 306 020
	H M	12 30	Jadranka Jelencic Chairman of Open society fond in Serbia	Zmaj Jovina 34	011 32 83 308

	B D H M	14 pm	Marry O'Hagan, NDI Director, & Jean-Noe Landry, Pgm officer	Kneza milosa 51	011 3612 942
	D H	16 00 pm	Tim Madigan, Pgm Dir, CHF	Ljutice Bogdana 1a/III	011 367 25 97
July 9th	B D H	9 15am	Ellen Kelly & Milan Bastovanovic	USAID mission	011 24 24 603
	H	11 00am	Miljenko Dereta chairman of Civic initiatives	Bulevar Kralja Aleksandra 79	
	M	10 30 am	Barrbara covern from CIDA	Canadian Embassy	011 306 3000
	B D H M	12 00 pm	Slobodan Homen,vice president of OTPOR.	Nusiceva 6.	011 32 44 509
					011 32 44 511
	B D	14 00 pm	Srdjan bogosavljevic Director of Strategic marketing	Zagrebacka 9.	011 328 40 75,76,77
	H M	15 00 pm	Ljiljana Smajlovic journalyst of NIN(Harry)	Cetinjska 1	063 397 440
July 10 th	M		Departure Mara		
	B D H	11 00 pm	Ivan Andric, Tatyana Toroman, center for modern politics	Simina 41	322 42 47
July 12th	B D H	14 00	Rasim Ljajic.ministar for human rights and national minorityes	Bul. Mihajla Pupina 2 Pallace of federation	063 604 522
	B D H	18 00	Sandra Ljubinkovic from anty-traffickyng center	Molerova 78/4	011 344 59 84
July 13 th Novy Sad trip,	B D H	10 00 am	Randy Tift Chairman of ADF Novi sad	Jovana Subotica 18	021 522 277, 063 301 095
	B D H	12 00	Sandra Stanic from Freedom House	Trg slobode in front of	063 392 443
	B D	13 00	Aleksandar Kravic,Vice president of Vojvodina parlament	Vladike platona, no number	063 517 038 Tatijana Brkljac
	???	13 30	Aleksandar Popov from Center for regyonalisam,Bobby	Zeleznicka 35 in the passage	021 528 241
	H	13 30	Danica Stefanovic from PANONIA	Zlatne grede 17	063 537 658
	B D	15 00	Gluhonjic Dinko,journalyst from APOLLO tv	Trg slobode in the shopping mall	063 583 316
	H	15 00	Ratko Bubalo,center for tollerance and integrattion	Vojv. Brigada 17	063 550 418
	B D H	16 30	Bojan Boskovic from EXIT/fest	Pozorisni trg	063 823 64 01
Belgrade	B H	21:00	Michael Staresinic, Freedom House	Hyatt Hotel	
July 14 th Belgrade	B	09 00	SIDA,	Swedish embassy	011 30 31 585 Snezana Nenadovic
		10 00	Dragan Sutanovac,Vice president of DS	Krunska 69	063 262 688
		11 30	Zdenka Milivojevic from	Svetogorska 9	063 284 187

			Argument		
		15 00	David Babic from SPO	Knez Mihajlova 48	011 328 14 50
July 14 th Novy Pazar trip	D H	14 00	Vice president of SDP (Sandzak democratic party)	Sjenicka 29	020 311 454
		15 30	Efendija Muric from Party for Sandzak.	28. novembra no number	020 331 970
		17 00	Semiha Kacar from center for protection of human rights	1. maja 85a	063 80 02 679
		18 00	Samsudin Kucevic Vice president of SDA	7. jula no number	020 313 034
July 15 th Kragu- jevac	B	11 00	Gene Neil from ACIDI VOCA	Karadjordjeva 52-2	034 331 145 063 249 134
		13 00	Roma informative Center	Atinska 81-3	034 349 587
		15 30	Voj Lucic, chairman of SUNCE	Pasterova 17	034 362 700
		17 00	Tijana ilic from CESID		064 234 90 87
July 15 th Novy Pazar trip	D H	09 30	Alan Bennett, Nermin Hasnovic Mercy Corps	Lug 2.	063 264 082 020 316 220
		11 00	Aida Corovic, Coordinator; Sead Biberovic, Pgm Coordinator Urba-In	1. Maja no number	020 331 570
		12 30	Alija Halilovic president of civic forum Novi Pazar	Rifata Burdzevica near the hotel	020 312 461
July 16 th Nis trip	D H	10 00	Milan Stefanovic, Director Protekt	Mall office in Nis	063 479 970 018 522 788
		11 00- 13 30	Collective meeting with Milan Stefanovic, Dejan Milosevic of Protekt	Media center in Nis. Pobedina 38	018 522 788
			Mirjana Kristovic, TRAG		063 701 2354
			Katarina Milosevic, Committee for Human Rights		018 526 232
			Stela Jovanovic, Resource Ctr		064 122 8398
			Rasid Kurtic, Natl Org of Roma		064 217 1780
			Goran Mladenovic, Youth Response		064 220 4167
July 16 th Belgrade	B	13 30	Dragan Videnovic, Media Center		064 137 0346
			Osman Bilic, Vice Pres of Executive Board, Nis	Media Center	018 532 992
		13 00	Zivka Vasilavska chairman of CRNPS	Zmaj Jovina 34	011 328 33 06
		15 00	Veram Matic the Director of RTV B92	Bulevar Avnoja	011 301 2000
July 18 th to Vranje July 19 th	D H	16 30	Milos Vasic journalist from VREME'	Misarska 9	063 210 480
			Travel to Vranje		
		11 30	Bata Stamenkovic from CHF	Cara Dusana 12	017 432 190

Presevo		Vranje		063 345 322
	14 00	Redzep Iljezi from center for the new visions Presevo	Rami Sadiku 50	063 80 264 86 017 669 919
	15 30	Biljul Nasufi from center for multiethnical education	Near the counsel of Presevo	063 81 96 155
	17 00	Risa Hallimi President of counsel of Presevo	In the counsel building	
July 19 th Belgrade	13 00	Dejan Mihajlov from DSS (Democratyc party of Serbia)	Nemanjina 11 in the government	063 466 166(Tanja)
	14:00 08 00	Exit briefing with Ellen Kelly Suzana Antic-Ristic from rights Board for the human rights Vranje	US embassy Near the church	063 80 84 839
July 20 th Bujano- vic	10 00	Nagip Ariffi, Presudent of the counsel of Bujanovac	In the counsel building	
	11 45	Saip camberi, Chairman of the board for the human rights Bujanovac	Karadjordja Petrovica 2, apartmant 36	063 81 88 767
July 20 th Belgrade	11 00	Mr Lamerrs from Conrad Adenauer stiftung	Bulevar kralja Aleksandra 298	011 38 07 442, 445,446
	10 00	Mr. Almaas from NPA/ Norweegens people aid	Alekse Nanadovica 7	011 244 11 96
July 21st	12 00	Branko Popovic, Generaly Secretry Of GSS(Civyc Alliance)	Dusana Bogdanovica 10	064 29 47 995 Sandra Balcic
		Departure Bobby		
July 22nd	11 00	Bogoljub Karic the President of Strenght of Serbia	Bulevar mira 49	
	12 00	Katarina Kovacevic from DFID	British embassy	011 26 45 055
	14 00	Exit brifing with USAID	US embassy	
July 23rd	08 10	Departure Harry		

B = Bobby Herman; D = Danko Cosic; H = Harry Blair; M = Mara Galaty; N = Natasha; R = Ron

Annex D. USAID/Serbia and Montenegro, Statement of Work

Democracy and Governance Assessment

1. Summary

This SOW sets forth guidelines for a strategic assessment of two democracy and governance sectors, civil society and political process, addressed by USAID/Serbia and Montenegro's (USAID/SAM) two democracy and governance strategic objectives (numbered 2.0 for USAID's strategy in both Republics). Its purposes are to gauge the impact of interventions in these sectors to date; recommend changes in strategic direction as appropriate; and make specific suggestions on how best to tailor future programming in these areas to further advance USAID/Serbia and Montenegro's strategic objectives. All conclusions in the assessment regarding the impact of USAID interventions to date and recommendations on strategic direction and future programming must be republic-specific, as the situations in the two republics are not identical.

The Mission expects to use these recommendations to adjust program plans under its current strategy, to inform planning of a new strategy expected to be developed in FY05, and to shape the development of new activities based on the strategy. Fieldwork will be done in Serbia and Montenegro for a period of up to 27 working days, with additional work days for U.S.-based preparation and report-writing as further detailed below. The Assessment is expected to commence on or about June 1, 2004. The Team will deliver a final report no later than four weeks after it completes its in-country work, based on a draft assessment report submitted no later than two weeks after it departs Serbia and Montenegro in addition to producing other deliverables described below.

2. Background

USAID/Serbia and Montenegro, headquartered in Belgrade, Serbia with a branch office in Podgorica, Montenegro, supports programming in both Republics that constitute the State Union of Serbia and Montenegro. The Serbia and Montenegro programs have similar strategies; however, funding for these programs is separate and activities basically serve one Republic only. Both programs have strategies that currently extend through FY 2005. USAID supports significant democracy and governance programming in both Serbia and Montenegro through two strategic objectives, SO 2.0 and 2.1. SO 2.0, "More effective, responsive, and accountable democratic institutions," encompasses civil society, media, political process/elections, and rule of law activities. In both Republics, USAID also supports an extensive program under SO 2.1, "Increased, better-informed citizen participation in political and economic decision-making," centered on community-based municipal development activities under the Community Revitalization through Democratic Action (CRDA) programs and on complementary municipal governance activities.

USAID/Serbia and Montenegro's current strategies, initiated in FY 2002, expire in FY 2005. Much has changed on the political scene in both Republics since these two strategies were put into place; however, annual program reviews conducted by USAID and State's SEED Coordinator's Office with little exception have validated the Mission's strategic approach in both republics. Key political developments since the strategy was developed in 2001 include:

- Milosevic arrested in March 2001 and extradited to Hague in June 2001, amid intense international pressure on Serbia. Milosevic's trial commences in the Hague in 2001. Presiding judge in the Milosevic trial resigns in 2004. Trial continues.

- A three-year interim agreement on the State Union of Serbia and Montenegro entered in 2003 (the Belgrade Agreement) preserves some of the functions of the former Yugoslav federal structure including a state union-level parliament, foreign affairs, and a Ministry of Defense. This successor state has assumed its predecessor's full UN membership, granted in November 2000.
- The assassination of Prime Minister Zoran Djindjic on March 12, 2003 and a State of Emergency amid a major crackdown against organized crime in its aftermath, followed by the founding of Serbia's Special Court for Organized Crime and War Crimes to process high-profile cases in these categories domestically.
- The collapse in 2003 of the Democratic Opposition of Serbia's 18-party coalition, preceded by the withdrawal of the Democratic Party of Serbia (DSS) from this coalition after a rift with its rival Democratic Party (DS) emerged. Fissures within DS also lead to that party's dramatic decline at the polls in December 2003 parliamentary elections. Also in 2003, two former NGOs, G17-Plus and OTPOR, became political parties. G17-Plus fared well in the elections and is represented in key ministries.
- A sharp decline in Serbian voters' level of confidence in, and patience with, government as led by key democratically oriented parties, amid an atmosphere of perceived paralysis and political infighting. Combined with voter concerns over economic conditions, this increasing dissatisfaction fueled the ultra-right Serbian Radical Party's strong showing in Serbia's 2003 (failed) presidential and (successful) parliamentary elections. Elections law in Serbia is revised in 2004 to remove the 50% threshold that prevented Serbia from electing a President in 2002-2003.
- A new government formed in Serbia in March of 2004 after over two months of contentious negotiations that followed the December 2003 parliamentary elections. A democratically oriented coalition forms a minority government led by DSS, in alliance with G17 Plus, and SPO-NS, after DSS secures support for this arrangement by Milosevic's SPS.
- Periodic resurgence of conflict in Serbia's ethnically divided South, and an outbreak of violence in Serbia's urban centers after tensions flare up in Kosovo, March 2004.
- The ongoing Montenegrin parliamentary boycott has made it easier to pass reform legislation, but it has hurt the opposition parties and limited parliamentary debate on the proper direction for reforms.
- Recent public opinion polls have shown more dissatisfaction with the performance of the Montenegrin governing coalition and a higher degree of uncertainty about, and emphasis on, the government's economic policies.
- Despite the negative impact and the continued operation of Montenegro's parliament without the opposition, the boycotting parties have taken politics outside of the parliament and into the media and other non-political arenas, but continues to underscore the disarray of the opposition.
- **There is a growing understanding that economic reforms will not be successful without political reforms designed to alter the traditional power relationships in Montenegro that thwart private initiative and economic competition. It will be a challenge to political parties to navigate these reforms, while supporting further change, avoiding ongoing political distractions, and increasingly focusing on voters' everyday concerns.**
- The recent elections and concern over the formation of the governing coalition in Serbia have cast the Belgrade Agreement and the functioning of the institutions of the state union in an uncertain light, reigniting speculation about the timing of a Montenegrin referendum on independence and about the commitment of both republics to harmonization and continued cooperation.

In Serbia, several key DG activities are scheduled to be completed in March/April 2005, including major, multi-year civil society and political process/elections activities designed to advance the SO's focus on

improved governance through activities that engage and support key governmental and non-governmental actors. These activities have a combined life-of-project budget of approximately \$44 million within an SO budgeted at \$15 million per year over the life of the Mission's current strategy. Similarly, in Montenegro the Independent Media Program is scheduled to be completed in July 2004 and the civil society NGO strengthening activity is scheduled to end January 2005. The political process activity is scheduled to phase out by February 2006.

In FY 2005, the Mission's annual budget for Serbia and Montenegro, including that for SO 2.0, is expected to decrease, with further incremental reductions likely in FY06 and beyond. Within this shrinking pool of resources, the Mission plans to ramp up its programming in rule of law, both under SO 2.0 and 1.3 (Accelerated Development and Growth of Private Enterprise) as its current strategic plan emphasizes this area as critical to moving all aspects of Serbia's and Montenegro's reform process forward. In Montenegro a \$6.5 million, three-year USAID judicial reform activity was introduced in July 2003 to assist with the implementation of reforms called for in the recently enacted Law on Courts. The activity is designed to support the Government of Montenegro's efforts to reform and modernize the framework of laws affecting the operation of the judicial system, to implement in a timely and effective manner structural changes in the judiciary mandated by the recent reform legislation, including the creation of two new courts, an Appeals Court and an Administration Court, as well as Administration Office, and to improve the day-to-day operations of the courts.

In FY 04, rule of law was budgeted at \$7 million for Serbia, and \$2.8 million for Montenegro. Up to \$8 million more is planned for FY05-FY06 to fully fund the Serbia's planned rule of law program under SO 2.0. USAID/Serbia's Senior Rule of Law advisor has led an extensive design process for rule of law activities scheduled to begin this fiscal year; therefore, this technical sector is not included within the planned assessment described in this SOW. Media assistance is also being examined separately in both Republics.

In summary, USAID/Serbia-Montenegro anticipates declining resources to implement its strategic plans in both Republics over the next three to five years, including programs targeting the critical democracy sectors covered under this SOW, and wishes to use this assessment to better target its resources to advance SO 2.0 in both Republics.

3. Objectives & Tasks

Objectives: The objective of this Assessment is to 1) conduct an analysis of the impact of current programs and make specific recommendations to the Mission regarding how best to modify or tailor SOs, IRs, and activities in these sectors to best advance the Mission's strategy in both Republics; 2) provide specific recommendations for future programming in these two sectors in both Republics as the Mission begins to develop its new strategy.

Prior to Arrival In-Country: Before doing its field research, the Team shall:

- Spend up to four workdays in Washington, D.C. reading the documents recommended below and meeting with USAID/Washington and partner staff, including the USAID Serbia/Montenegro desk officer, DCHA and E&E Bureau regional backstop for Serbia, E&E and/or DCHA technical staff engaged in NGO and political process development, and staff at ORT, NDI, IRI, and Freedom House engaged in backstopping and managing field-based activities in Serbia and Montenegro.
- Read the USAID/Serbia and Montenegro strategies, Performance Monitoring Plans (PMPs), 2003 Annual Reports, as well as strategy and program information on USAID/ Serbia and Montenegro's website, accessible through www.usaid.gov, with emphasis on SO 2.0 sections and link to partner

sites from that webpage for information on USAID/Serbia and Montenegro 2.0 activities. The team of experts should also review current and prior year Serbia and Montenegro sections of the USAID E&E Bureau's NGO Sustainability Index.

- Read the attached memorandum regarding this assessment submitted by USAID/SAM (Montenegro).
- Review current work plans and quarterly reports submitted by ORT and NDI (Montenegro); and Freedom House, NDI, and IRI (Serbia).
- Familiarize itself with current issues in Serbia and Montenegro through reading on the web. Suggested websites (in English) include www.b92.net and links on B92 to various government and NGO sites. Serbian NGO sites with information in English include CeSID, www.cesid.org; Civic Initiatives, www.gradjanske.org; the Association of Independent Electronic Media, www.anem.org.yu; the Independent Journalists' Association (NUNS), www.nuns.org.yu; the Humanitarian Law Center, www.hlc.org.yu; Lawyers' Committee for Human Rights, www.yucom.org.yu, and Nezavisnost, www.nezavisnost.org.yu. Other sites with content relevant to this assessment include Institute for War and Peace Reporting (www.iwpr.net), International Crisis Group (www.crisisweb.org), and the International Criminal Tribunal for the former Yugoslavia (<http://www.un.org/icty>). It may also be useful to peruse other donors' Serbia and Montenegro pages. Leading donors in democracy and governance include European Agency for Reconstruction, Council of Europe, OSCE, UNDP, Open Society Institute, Canadian CIDA, Swedish CIDA, Norwegian People's Aid, Danish Press Now, the World Bank, and DFID.
- Liaise with USAID/Serbia and Montenegro on planned meetings during the assessments. USAID/Serbia and Montenegro will take primary responsibility for identifying needed meetings, with input from the Team. The Team shall take primary responsibility for scheduling these meetings with assistance from USAID as needed.

Field Research: The Team's civil society and political process experts shall spend up to 27 work days in country, to include:

- **Up to fifteen work days in Serbia.** The team will first travel to Belgrade for up to five work days for in-briefings with USAID and the Embassy, as well as meetings with other donors, USAID partners, NGO leaders, government officials and party leaders. Field visits will then be conducted, most likely to Vojvodina and Southern Serbia, for a total of up to eight workdays. The team will then travel to Montenegro (see below), and after returning from Montenegro will spend up to three workdays in Belgrade days preparing an initial draft of its findings and conducting out-briefings before departure. Some meetings will involve both team members; others will be scheduled separately.
- **Up to twelve work days in Montenegro.** The team will first travel to Podgorica for up to twelve work days for in-briefings with USAID and the Consulate, as well as meetings with other donors, USAID partners, NGO leaders, government officials and party leaders. Field visits will then be conducted in Podgorica, as well as Northern and Southern areas of Montenegro. The team will conduct an out-briefing before returning to Serbia, preferably with an initial draft of its findings. Some meetings will involve both team members; others will be scheduled separately.

Report Preparation: After returning to the U.S., the team shall finalize reports within the timeframes specified in the "Deliverables" section below. Up to nine workdays in the U.S. are authorized for the Team Leader following the conclusion of field research; up to four are authorized for the Team Member.

Recommendations: The Team shall provide USAID/Serbia and Montenegro with the following recommendations:

- Specific recommendations for maintaining, discontinuing, changing, or adding activities in both Republics in the sectors reviewed, with emphasis on maximizing results under SO 2.0 or successor DG SO(s), complementing related Mission programming under SOs 2.1 and 1.3 (or successor SOs), and building on USAID's comparative advantages to ensure complementarity with other donor-supported DG activities in Serbia and Montenegro. These recommendations shall be based on a detailed review and analysis of ongoing efforts in these sectors, and must be activity specific by Republic.
- Suggested alterations to the Mission's results frameworks, to include specific recommendations for alterations to SO 2.0 and 2.0 IRs related to the two examined technical sectors, to feed into the Mission's post-2005 strategy development process.
- Target annual budget figures for sectors covered by the Assessment for both Serbia and Montenegro from FY 2005 – FY 2009.

Deliverables: The Team shall present its recommendations in the following format:

- A **three-page report to USAID/Serbia and Montenegro detailing preliminary assessment findings** to be submitted in Belgrade upon conclusion of the Assessment and discussed with senior USAID and Embassy staff in an outbriefing.
 - A **draft assessment report** not to exceed 60 pages, including annexes, shall be submitted not later than two weeks after the in-country outbriefing. This report shall include detailed findings organized into clear sections by technical area and Republic. An executive summary not to exceed three pages per Republic (six total) is required and must be written to serve as a stand-alone briefer for senior management on key assessment findings. Lengthy background sections on the region or the Republics' history and politics are not required and strongly discouraged. The Team may assume that its primary Assessment customers within the Mission are familiar with key events, issues, and trends over the past decade of the Republics' history. The final report shall reflect Mission comments on the preliminary findings paper.
 - A **final assessment report** following the same formatting guidelines listed for the draft assessment report listed above shall be submitted not later than four weeks after the in-country outbriefing, incorporating feedback from the Mission.
 - During field visits to both Republics, the Team will also be required to participate in **in-briefings, a midpoint briefing, and an out-briefing with USAID/SAM staff, in addition to** seeking and incorporating feedback from USAID/SAM staff on written deliverables described above.
4. **Personnel & Level of Effort.** The team is expected to consist of the experts described below.

Note: Either the Civil Society Expert or the Political Process Expert shall be designated by the Contractor as Team Leader, with overall responsibility for coordination with USAID/Serbia and Montenegro and production of required deliverables, and with workdays adjusted according to the level of effort estimates given below.

- **1 (One) Civil Society Expert** with a minimum of ten years of related experience with U.S. or European advocacy or policy-oriented NGO(s), to include substantial demonstrated experience in designing, implementing and evaluating donor projects in this technical area in at least one region of the world, preferably in the Balkans or elsewhere in Europe and Eurasia. "Substantial demonstrated

experience” shall include at least one long-term overseas assignment at a senior level on an activity directly focused on sustainable NGO development and support. Work with NGOs undertaking projects designed to promote truth, peace, and reconciliation in a post-conflict setting would also be useful.

- **1 (One) Political Process Assistance expert** with a minimum of ten years of related experience in U.S. or European politics, including substantial demonstrated experience in designing, implementing and evaluating donor projects in this technical area in at least one region of the world, preferably in the Balkans or elsewhere in Europe and Eurasia. “Substantial demonstrated experience” shall include at least one long-term overseas assignment at a senior level on an activity directly focused on political party development. Experience in one or more of the following would also be desirable: elections assistance, elections administration issues, parliamentary development, and promoting civilian control of the military.
- **Two professional translators/facilitators** to be hired in-country to assist and travel with the Team on an as-needed basis. USAID/Serbia and Montenegro can recommend candidates as necessary.

Level of Effort (LOE) for this assessment is as follows:

Civil Society Expert:	Up to 35 person-days if team member, up to 40 if team leader
Political Process Expert	Up to 35 person-days if team member, up to 40 if team leader
Translators/Facilitators:	Up to 15 total person-days apiece. Translator/facilitator services will not be required full-time.

The Contractor will certify that there is no conflict of interest with respect to the performance of this assessment on the part of the contractor and the contractor’s team members. The Contractor will guarantee that substitutions will not be made for individuals proposed as team members without the approval of USAID/SAM (Montenegro).

USAID/Washington’s DCHA pillar bureau has been requested to provide an individual with experience in one or more of the DG sectors covered by this assessment and strong familiarity with implementing related activities in one or more regions, with strong preference for Europe and Eurasia expertise. If such an individual is made available, he or she will be engaged in assessment preparation, field work, and recommendations. USAID/Serbia and Montenegro will also contribute to the assessment by identifying and participating in meetings, briefing team members, and providing input into the reports and solicitations either orally or in writing. USAID/Serbia and Montenegro shall arrange for airport pickup and drop off, and will provide transportation for those meetings in-country that its staff will also attend. All other Assessment-related logistics shall be provided by the Team and are billable to this contract if in accordance with applicable USG policy and regulations, including but not limited to payment for translator services if outside translators are hired as described above, renting of at least one cell phone in-country and the purchase of a card to enable its use (this is a requirement, as use of a U.S. cell phone in-country is prohibitively expensive), business-related calls and faxes, hiring of cars and drivers if needed for any meetings which USAID/Serbia and Montenegro staff cannot attend, and business-related Internet use at hotels. USAID/Serbia and Montenegro shall provide key documents and be available to the Team for consultations regarding sources and technical issues, before and during the assessment process. Mission staff will review and comment on draft and final deliverables.

5. Timeline & Period of Performance: The performance period will be roughly June 1, 2004 through August 15, 2004, though field research must be initiated not later than June. A six-day workweek is authorized for this effort.

6. Technical Direction: Overall technical direction during the performance of this assessment will be provided by USAID/SAM Democracy and Governance Officer Kathryn Stevens or her designee, at (381 11)306-4917, kstevens@usaid.gov, in consultation with USAID/SAM Director Keith Simmons, (381 11)306-4775, ksimmons@usaid.gov. Technical direction on Montenegro elements of this assessment will be provided by DGO/SAM (Montenegro), Ana Drakic and Dora P. Plavetic at (381 81) 241-050 exts.-113 and 120 respectively, adrakic@usaid.gov and dplavetic@usaid.gov, in consultation with the USAID/OIC/SAM (Montenegro), Howard R. Handler (381 81) 241-050 ext. -101, hhandler@usaid.gov.

MEMORANDUM
CIVIL SOCIETY AND POLITICAL PROCESS ASSESSMENT
USAID/SAM (Montenegro)
May 3, 2004

I. Purpose of Assessment

USAID/SAM Montenegro sees the purpose of the assessment to be conducted in Montenegro as follows: to analyze the status of the NGO sector and development of political process in Montenegro, to evaluate the Mission's current NGO and political process strengthening activities, ascertain if the Mission's original program goals and targeted results have been met and are still relevant, and recommend prioritized concrete interventions which USAID should assume in the next three years with regards to NGO strengthening, while at the same time recommend a phase out strategy for the political process activity schedule to end February 2006.

II. Background

The USAID/SAM (Montenegro) Interim Strategy for the period 2002-2004 was formally approved in April 2002. NGO and political process development fall under Strategic Objective (SO) 2.0 – *More Effective, Responsive and Accountable Democratic Institutions* and is one of the three bedrock Intermediate Results of SO 2.0: IR 2.0.2 Strengthened Civil Society, Political Party, and Trade Union Capacity to Serve and Represent Citizens, complementing IR 2.0.1 Enhanced Capacity and Competitiveness of Independent Media and IR 2.0.3 More Effective, Independent and Accountable Legal Institutions. Central to IR 2.0.2 is the conviction that Montenegro's democratic transition cannot be realized without improving the ability of civil society organizations to represent citizens' interests and monitor government performance in the process of democratic and economic reform, as well as the viability of reform minded political parties that stand for election based upon concrete policy proposals that address the needs and concerns of their constituents.

SO 2.0 supports USAID's other strategic objectives, SO 1.3 and SO 2.1, by preparing citizens to participate with greater knowledge and effectiveness in their communities through informed associative participation in NGOs, political parties, and other key institutions that help them assure the protection of their rights and proper implementation of reform.

As a rule, USAID has supported civil society programs that strengthen NGO organizational capacity, including advocacy skills strengthening, and political process development in the form of political party and parliamentary institution building. In Montenegro, USAID's current civil society and political process programs consist of the following activities: The Montenegro Advocacy Program (MAP), implemented by American ORT, is a \$3.7 million, three-year cooperative agreement, initiated in January 2002 to strengthen the organizational development, advocacy skills, management, financial controls, and sustainability of a core group of NGOs for the purpose of making them more effective in influencing public policy and the conditions affecting the lives of Montenegrin citizens. Likewise, the Political Process Program,

implemented by the National Democratic Institute (NDI), is a \$2.7 million, four-year cooperative agreement, initiated in May 2002 to carry out technical assistance and training in the areas of political party and parliamentary development, and enhancing domestic NGO capacity to undertake election monitoring.

While a variety of training and technical assistance is being offered to NGOs through programs like MAP, organizational capacity strengthening activities have not been easy to implement as NGOs by and large have found it difficult to adopt and understand the need for internationally recognized best practice models of NGO management. Although a select number of NGOs established boards of directors, it may be years until the new governance structures are truly followed and respected. NGOs still demonstrate a particular weakness and lack of capacity in the area of financial management. The NGO sector continues to be donor and project driven; a small number of NGOs, however, have succeeded in diversifying their funding sources through state-funded NGO grants programs and/or direct service-provision contracts with the Government of Montenegro. Training in advocacy skills has been less problematic to employ and there are various illustrations of successful NGO advocacy. The Akcija NGO Network, for example, continued to secure meaningful NGO participation in Montenegro's reform process through several national public information and mobilization campaigns, including the highly successful Farewell to Arms initiative, which resulted in over 2,000 citizens turning in 34,000 pieces of illegal weaponry and ammunition to the police, and also a 10 point increase in public trust in the police forces. Also, Center for Monitoring successfully proposed laws directly to Parliament on behalf of citizens that were then adopted. The NGO used training, technical and financial assistance from both the MAP and Akcija programs to draft, collect signatures, campaign, and lobby for the proposal and adoption of the Law on Political Parties and the Law on Financing of Political Parties. At this time, the MAP is assisting NGOs in carrying out watchdog activities that monitor government compliance of reform legislation.

On the political process side, the NDI program is in its first year of the program's cooperative agreement two-year extension through February 2006 and the Mission anticipates phasing out of the political process program by that time. In varying degrees since 1999, the NDI program has been working with political party partners to draft and implement strategic plans and to encourage future leadership development. To this effect, NDI has carried out numerous training of youth and emerging political party leaders to develop political skills that can be demonstrated through changes taking hold within their own parties. The parliamentary program has focused on intensifying the active role of parliament in advancing the reform process in a constructive and informed manner that involves the citizens. To this effort, the program has worked to finalize and encourage passage of the new rules of procedure for the parliament, followed by efforts to implement the new rules by strengthening parliamentary management, improving committee and party caucus operations, and developing staff capabilities.

The program, however, has had to contend with the reality of general public dissatisfaction and frustration with the ruling political parties and their reform policies, as well as with the opposition parties' offered alternatives. And, while governing and opposition parties appear to be more focused on economic and social concerns of the electorate, parties by and large have been slow at engaging the public in political party and parliamentary activities needed to solidify the reforms made to date and encourage public support for future reform.

III. Tasks

Montenegro fieldwork and sections of the report focused on Montenegro shall:

- (1) Assess the current state of the NGO sector and political process in Montenegro;
- (2) Evaluate the implementation of the Mission's current NGO and political process program activities, in particular whether objectives are being met, and if not, why. In particular determine if the political process program's current activities are focused and deliberate, and tactically positioned to overcome principal obstacles hindering progress in the political process sector;
- (3) Recommend and prioritize areas that still need to be addressed in the future to assist in the strengthening of NGOs, as well as offer specific recommendations on how the Mission can most effectively phase out of its current political process intervention by February 2006.

Montenegro sections of the report shall include:

- (1) A summary of the status of the NGO sector and political process development, including a prognosis about the prospects for changes in the two areas, including an overview of the following attributes for each area:

NGO Sector

- Legal environment
- Availability and quality of training
- Sustainability
- Organizational and financial transparency
- Networking/coalition building
- Watchdog and grass root activities
- Relationship with GOM/businesses/ media

Political Process

- Organizational development of political parties
- Political parties as linkages between citizens and government
- Political parties as organizers of government and opposition
- Electoral legal environment affecting republic and municipal level governing bodies
- Parliament's effectiveness in carrying out key functions of representation, lawmaking, oversight, and internal management

- (2) A description and appraisal of problems faced by Montenegrin NGOs and political process institutions and actors.
- (3) An evaluation of the Mission's current NGO strengthening activities and specific conclusions about progress or lack thereof toward achievement of the relevant targets and

indicators in USAID/SAM (Montenegro) strategy. The following questions are illustrative of the issues USAID/SAM (Montenegro) would like the Assessment Team to address:

- What kind of impact has the MAP had on increasing civic participation in the political process; oversight of public institutions; promoting the greater cooperation among NGOs toward common objectives; increasing the institutional and financial viability of local NGOs; and strengthening a democratic political culture through civic/voter education;
 - What are the MAP's significant accomplishments, and/or failures? Were there unique problems that were experienced in implementation? Are there any unresolved issues or objectives of the program that have not been achieved that are of great importance for the future reform of the NGO sector? If so, what are the reasons why MAP has not influenced these issues?
 - What are the lessons learned from the current USAID civil society program and how may USAID leverage this experience to ensure the improved quality and impact of future programs? Were there any absent components to the evaluated program that would have led to more success or impact?
 - What are the concrete impediments to development of a democratic civil society and NGO Sector in Montenegro? USAID would like the Assessment Team's recommendations on how USAID Montenegro programs can most effectively be implemented in the future while addressing such impediments.
 - What are the major obstacles in development of public-private relationships and what possibilities exist for the NGO sector to be supported by private or government sectors more transparently?
 - What specific institutional development, training, and technical assistance should USAID/SAM (Montenegro) be targeting its assistance to?
 - Given the current situation in civil society in Montenegro and increasing limited assistance resources, what specific activities would represent the most valuable USAID investment over the next three years? Include short-term and long-term recommendations.
- (4) An evaluation of the Mission's current political process program activities and specific observations about progress or lack thereof toward achievement of the relevant targets and indicators in USAID/SAM (Montenegro) strategy.
- (5) An assessment of the quality and effectiveness of coordination with other donor civil society and political process programs.
- (6) Recommendations on how to most effectively phase out of the Mission's political process assistance by February 2006.